

Current History

A WORLD AFFAIRS MONTHLY

APRIL 1971

JAPAN, 1971

JAPAN AND THE CONTINENTAL GIANTS

Martin E. Weinstein 193

JAPAN AND SOUTHEAST ASIA IN THE 1970's . *Kei Wakaizumi* 200

CONSERVATIVE DOMINANCE IN JAPANESE POLITICS

Gerald L. Curtis 207

EDUCATIONAL AND CULTURAL TRENDS IN JAPAN TODAY

W. Scott Morton 213

JAPAN'S GROWTH ECONOMY: JOY AND ANGUISH

Solomon B. Levine 218

JAPAN'S ECONOMIC RELATIONS WITH ASIA *Koji Taira* 225

THE PROSPECT OF JAPANESE REARMAMENT

Myung-Kun Yiu 231

BOOKS ON JAPAN 237

THE MONTH IN REVIEW 247

MAP • *Japan* Inside Back Cover

Current History

FOUNDED IN 1914

APRIL, 1971
VOLUME 60 NUMBER 356

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Published monthly by Current History, Inc., 4225 Main St., Phila., Pa. 19127. Second Class Postage paid at Phila., Pa., and additional mailing offices. Indexed in *The Reader's Guide to Periodical Literature*. Individual copies may be secured by writing to the publication office. No responsibility is assumed for the return of unsolicited manuscripts. Copyright, © 1971, by Current History, Inc.

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Current History

APRIL, 1971

VOL. 60, NO. 356

Will Japan become a superstate? How will she fare in the "race to the year 2,000?" In this issue, seven articles analyze and evaluate Japan's resurgence since the end of World War II, although not all our authors are in agreement about Japan's future. Leading off, our introductory article points out that "Despite its extraordinary achievements and its growing productive capacity, the Japanese economy rests on a narrow, insecure foundation. . . . Even if she is credited with an extraordinary degree of national unity, social discipline and leadership, Japan does not have the economic base from which to mount a political or military challenge to the Soviet Union or the United States. Japan is not an economic giant. . . ."

Japan and the Continental Giants

BY MARTIN E. WEINSTEIN

Assistant Professor of Political Science, University of Illinois

FOR THE SECOND TIME in a century, after raising herself from a position of powerlessness and relative insignificance, Japan is poised on the edge of the world stage. Is Japan ready to become a major actor?

A spate of books on Japan and increased coverage in the mass media have brought this question to the attention of the American public. Unfortunately, however, implicit in the style and tone of much of this publicity has been the notion that a prosperous Japan is becoming a dangerous commercial rival, and that a powerful Japan may once again be a military threat. (An examination of Japan's current international position and of her relations with her three largest neighbors—the United States, the Soviet Union and China—suggests that the Japanese have neither the capability nor the intention of assuming a major political-military role and that close, cooperative ties with the United

States continue to be the basis of their foreign policy.

In recent years, Japan has frequently been referred to as an economic giant and a political pygmy. The metaphor is not entirely inaccurate but it is misleading in that it implies that Japan's economic muscle can and perhaps should be put to service in the political arena. In point of fact, although Japan's economic muscles have shown extraordinary growth, they are not gigantic, and it is not at all clear that they can do heavy political work internationally in the foreseeable future.

Between 1960 and 1970, Japan's real, annual economic growth rate averaged approximately 12 per cent. Her GNP more than tripled. Japan moved past Communist China and West Germany to become the third most productive state in the world. During the last decade Japan consolidated her position as the

world's leading shipbuilder and became second only to the United States in the manufacture of automobiles and computers, and third behind the United States and the Soviet Union in steel output. Japan's exports grew five-fold, increasing Japan's share of total world exports from three per cent in 1960 to seven per cent in 1970. The Japanese assumed a major role in trade and investment in South Korea, Taiwan and much of Southeast Asia. And Japan became a major contributor to the Asian Development Bank.

These frequently cited facts and statistics are impressive, even dazzling. Studied excessively, they produce a hypnotic effect. In the mind's eye, the Japanese economy swells to frightening proportions, reaching out over the globe, transforming Japan into a super-state, all within a future that is so palpable it seems more real than the present.

Actually, in terms of her GNP, Japan today is still far behind the United States and the Soviet Union. The Japanese GNP (approximately \$200 billion in 1970) is one-fifth that of the United States and less than half that of the Soviet Union. Moreover, Japan's geopolitical and strategic position is such that even if her productive capacity were to equal that of the Soviet Union, Japan would not wield comparable power. The 104 million Japanese live on four relatively small islands off the coast of northeast Asia, facing out toward three sprawling, continental giants—the Soviet Union, Communist China and the United States. Most of the Japanese and the industries which support them are crowded onto a narrow coastal plain 500 miles in length, stretching southwest from Tokyo through Nagoya and Osaka-Kobe, over the Shimonoseki Straits to Kita-Kyushu and Fukuoka.

The life of this teeming megalopolis depends upon fuels and minerals situated across thousands of miles of ocean. Ninety per cent of Japan's oil comes from the Persian Gulf. Iron ore, coking coal, bauxite, copper and timber and wool must be brought to Japan

from India, Australia and North America. The fuel for Japan's 22 nuclear reactors, which produce energy only for peaceful, industrial purposes, is also imported, and the reactors themselves are supervised by the International Atomic Energy Commission.

In order to pay for her indispensable raw material imports, Japan must export her manufactures. Thirty per cent of Japan's exports go to a single country, the United States. As we shall see in greater detail, the health of the American economy and good relations with the United States are as essential to Japan as her oil imports from the Persian Gulf.

In the nineteenth century, Great Britain played a leading role in international politics despite her dependence on overseas resources and markets. But the British were able to protect their economic lifeline with a navy second to none, and without fear of nuclear missiles or air attack. The Japanese Self-Defense Forces (S.D.F.) have a total strength of 260,000 men. Their most powerful weapons are F104 jet fighters, Nike-Hawk anti-aircraft missiles, destroyers and M6 1 tanks. They have reserve ammunition for less than one month of combat.

Under the Fourth Defense Build-up Plan (1972–1976),¹ the S.D.F. will maintain their current manpower, acquire 170 F4J Phantoms, new destroyers, two 8,000-ton helicopter-carrying escort vessels (D.L.H.) for anti-submarine warfare, and several more battalions of ground-to-air missiles. The government and the National Defense Agency have stated repeatedly that Japan has no plans to acquire nuclear weapons. The mission and the capability of the S.D.F. are to provide a partial and temporary conventional defense of the home islands and Japan's territorial sea and air space until United States forces, operating under the United States-Japan Security Treaty, can come to Japan's assistance.

Put in this perspective, Japan does not look like an emerging superstate. Despite its extraordinary achievements and its growing productive capacity, the Japanese economy rests on a narrow, insecure foundation. Be-

¹ "Boei Sangyo Nijunenmei no Genjitsu," *Toyo Keizai*, September 19, 1970, pp. 36–47.

cause Japan must import virtually all her fuels and minerals from distant overseas sources, Japan's economic survival—not to mention her prosperity—is contingent on free access to oceans which she does not control, and on peace and stability in regions where she can exert little or no influence. Because Japan is small and crowded, she is an extremely vulnerable target for missile and air attacks. Even if she is credited with an extraordinary degree of national unity, social discipline and leadership, Japan does not have the economic base from which to mount a political or military challenge to the Soviet Union or the United States. Japan is not an economic giant, and her potential for becoming a political giant is strictly limited.

JAPAN'S FOREIGN POLICY

Although Japanese politicians and the mass media have also begun to speak of Japan as a *future* world power, it seems reasonably clear that Prime Minister Eisaku Sato and his government are not making or planning any major changes in Japan's foreign policy. Since the end of the United States occupation, the conservative leaders who have governed Japan have built their foreign relations around close security and economic ties with the United States.²

When Japan regained her sovereignty in 1952 the conservatives, led by Prime Minister Yoshida Shigeru, had two goals uppermost in mind: to protect Japan's territory and independence and to rebuild their war-shattered economy. They saw the Soviet Union as the principal threat to their security and believed that economic growth depended on successfully countering this threat. The United States was able and willing to shield Japan from the Soviets and to assist in the economic task. Not only could the Americans protect

Japan and furnish direct aid and technology, they could also provide a major source of raw materials and an enormous market. Equally important, the United States had sufficient naval and air predominance to assure Japan access to the resources and markets of the entire non-Communist world.

It was understood in Tokyo that United States protection and assistance were motivated by enlightened self-interest. It was vital to the United States that the Japanese islands and their skilled, disciplined population should not fall under Soviet control. In addition, although the Japanese government would contribute very little militarily to the defense of Japan or the Far East, it was willing to provide the United States with bases and logistical support for military operations. From the Japanese point of view, the 1951 Security Treaty and the 1960 Treaty of Mutual Cooperation and Security have been the embodiment of this policy and this *quid pro quo*.

CURRENT RELATIONS WITH THE U.S.

It might be assumed that even though Japan is not a superpower, her economic revival and renewed confidence, together with the loosening of the bipolar pattern of international politics and doubts about United States security commitments in Asia after Vietnam, would upset this *quid pro quo* and lead to fundamental changes in Japanese foreign policy. But judging from the modest Fourth Defense Build-up Plan, the Nixon-Sato joint communiqué of November, 1969, and Japan's adherence to the Nuclear Non-Proliferation Treaty in February, 1970, it appears that in practice the Japanese government still bases its defense policy primarily on the United States security guarantee.

In their communiqué, President Richard Nixon and Prime Minister Sato announced that the 1960 Treaty of Mutual Cooperation and Security would continue in effect indefinitely beyond the expiration of its fixed term in June, 1970.³ They also agreed that administrative control over Okinawa would be returned to Japan in 1972. Furthermore, in order to make it clear that the powerful

² For historical background and documentation on Japan's postwar foreign and defense policies, see the author's, *Japan's Postwar Defense Policy, 1947-1968* (New York: Columbia University Press, 1971). A useful source on current security policy is the Defense White Paper; see Boeicho, *Nihon no Boei*, October, 1970.

³ Complete text of the Nixon-Sato joint communiqué appeared in *The New York Times*, November 22, 1969, p. 14.

American base complex on Okinawa would continue to be used for regional defense after 1972, Sato declared that the "security of the Republic of Korea was essential to Japan's own security," and that "security in the Taiwan area was also a most important factor for the security of Japan."

The agreement on Okinawa settled an issue which had generated anti-American feeling in Japan and represented the achievement of a long-sought Japanese foreign policy goal. Prime Minister Sato made generous use of the reversion agreement during the general elections in December, 1969, and claimed that his impressive victory reflected the popularity of his policy toward the United States. Consequently, 1970 promised to be an unusually friendly as well as a profitable year in United States-Japanese relations. Despite the five-fold increase in Japan's foreign trade since 1960, the United States still accounted for 30 per cent, as it had for almost a decade, and it was far and away Japan's most important trading partner. In 1969, two-way trade had totaled \$8.4 billion,⁴ an increase of 19 per cent over 1968. Japan's exports of \$4.9 billion had greatly exceeded her imports of \$3.5 billion (or \$4.1 billion C.I.F., as calculated by the Japanese). The major items sold to the United States in order of value are electrical machinery and appliances, iron and steel, textiles, automobiles and electronic sound equipment. Imports from the United States, which are larger than from any other country, are principally machinery, lumber, coal, wheat and soybeans. Japan is the biggest United States customer after Canada, and the largest importer of American agricultural products.

The Japanese government was aware that a number of United States Congressmen felt that Japan was getting a "free ride" and ought to bear a greater burden in Far Eastern defense. There had also been charges of Japanese dumping of television sets, and talks were in progress to regulate certain categories of textile exports to the United States. More

important, American officials were pointing to Japan's export surplus and pressing for the rapid removal of import restrictions and for the liberalization of foreign investment in keeping with Japan's obligations under the General Agreement on Tariffs and Trade (GATT). In the Nixon-Sato communiqué, however, the Prime Minister had agreed to accelerate liberalization, and the Japanese were, in fact, doing so.

Looking back over 1970, there is no doubt that commercial relations flourished. Trade again grew by close to 20 per cent, and probably reached \$10 billion. American imports and investments in Japan showed a healthy growth. But in terms of diplomatic relations and public feeling, 1970 was the most frustrating and exacerbating year since 1960, when President Dwight D. Eisenhower had canceled a scheduled visit to Japan because of anti-Security Treaty riots in Tokyo.

Although there were demonstrations in Tokyo in June, 1970, against the extension of the treaty, they were relatively small and caused little fuss. Instead, the unexpected source of irritation was Japan's exports of synthetic textiles. Synthetic textiles account for five per cent of Japan's total exports to the United States. In an effort to prevent the synthetic textile issue from becoming a political problem, it had been put in the hands of United States Secretary of Commerce Maurice H. Stans and the Japanese Minister of International Trade and Industry, Miyazawa Kiichi. During the spring of 1970, Secretary Stans, acting as a spokesman for American textile interests, proposed a five-year "voluntary" quota program designed sharply to curtail Japanese participation in the growing American synthetic textile market. The politically influential Chemical Textile Manufacturers Association in Japan stated that it would not agree to more than a one-year quota.

The Japanese press and television fastened onto the issue and treated it as a major diplomatic confrontation. It was charged that the Stans proposal was a blatant violation of American liberal-trade policy and was motivated not by economic injury but by promises

⁴ All figures on Japanese foreign trade are extracted from statistical reports of the United States Department of State.

made by President Richard Nixon to Southern textile manufacturers in the 1968 campaign as part of his "Southern strategy." While the textile dispute never figured as prominently in the American media, the "free ride" Congressmen, segments of the management and unions of the American electrical, automobile and steel industries that compete with Japanese imports and frustrated investors all took advantage of the textile dispute to air their grievances. At the same time, partly as an effort to exert pressure on the Japanese, a protectionist trade bill that would have unilaterally imposed a quota on textile imports was introduced in the Congress by Representative Wilbur Mills (D., Ark.).

As a consequence of these maneuvers, when Secretary Stans and Minister Miyazawa met in Washington in June, 1970, neither was able to compromise, and the negotiations ended without a settlement. In both countries, the media reported that the negotiations had "collapsed," "failed" and had been "ruptured"; that United States-Japanese relations had suffered a serious blow and faced a difficult, uncertain future.

In view of continued Japanese-American cooperation in security matters and in light of the actual growth of trade and investment during 1970, it appears that this publicity was exaggerated and misleading. Believing that the Mills bill would not pass, Minister Miyazawa saw no reason to accept the Stans proposal. Not reaching a settlement in June, 1970, meant simply that the synthetic textile trade would continue without formal restrictions. In the United States, Secretary Stans had waged a hard fight for the protectionists, and they were still free to push the Mills bill in Congress, which they did. But realizing that a protectionist trade law would be likely to have disastrous results on United States policy in West Europe and throughout the Far East, the White House assumed a cool attitude toward it, and it failed to reach a vote in the Senate.

⁵ The Japanese government has avoided a public designation of potential enemies. For a more detailed account and documentation, see Weinstein, *op. cit.*

Although there was no substantial damage, Prime Minister Sato and President Nixon recognized that the bitterness and antagonism generated by the textile dispute could poison the trust and confidence underlying the Security Treaty and the \$10 billion in annual trade. When Sato came to this country for the opening of the U.N. session in October, 1970, he and President Nixon agreed that the textile issue would be dealt with by the new Japanese Ambassador, Ushiba Nobuhiko, and by Presidential Special Assistant Henry A. Kissinger. These men appear to be acting as buffers between, rather than spokesmen for, their textile industries. In the eyes of the Japanese and United States governments, the mutual political, military and economic benefits of their relations clearly outweigh their minor conflicting interests, Prime Minister Sato and his conservative colleagues want to lead a prosperous, confident and proud Japan. But they do not appear in the least inclined to alter their fundamental policy of close, friendly, security and economic cooperation with the United States.

RELATIONS WITH THE SOVIET UNION

Although Japan's Prime Ministers, from Yoshida Shigeru (1948-1954) to Eisaku Sato (1964-present), have seen the Soviet Union as the principal military threat to Japan,⁵ they have not believed that a Soviet attack has been or is an imminent, overwhelming danger. They have believed that the security treaty, backed by United States strategic nuclear forces, the Seventh Fleet and United States units in South Korea, is an adequate deterrent to Soviet nuclear forces and growing Soviet naval and tactical air forces in the Far East. The combat units of the S.D.F. are concentrated on Hokkaido to repel a possible Soviet probe, or to resist a large-scale attack until United States forces can join the fight. The Japanese government's fear and suspicion of the Soviet Union have been consistent with public attitudes. Over the past two decades, opinion polls have shown that in Japan, the Soviet Union is the most disliked of foreign states.

The Soviet Union and Japan were legally

in a state of war until 1956, when Prime Minister Hatoyama Ichiro (1954–1956), concluded a peace declaration, and the two governments resumed diplomatic relations. Hatoyama had hoped to conclude a peace treaty rather than a declaration. But the Soviet Union was unwilling to evacuate and return the Northern Islands, and Hatoyama refused to sign a peace treaty unless it reverted these islands to Japan.

In August, 1945, when the Soviet Union (in keeping with the Yalta Agreement) went to war against Japan in violation of the Soviet-Japanese neutrality pact, Russian forces quickly captured Southern Sakhalin and the entire Kurile Island chain, including four islands right off the northeast coast of Hokkaido—Habomai, Shikotan, Etorofu and Kunashiri. Every Japanese government since 1945 has insisted that the islands are Japanese. The Soviet Union, probably determined to control the La Perouse Straits and concerned about the repercussions the retrocession of these islands might have on its other territorial disputes, has never admitted the validity of Japan's claim.

Since President Nixon agreed to the return of Okinawa to Japan in 1972, Prime Minister Sato's government has intensified its efforts to regain the Northern Islands. The Prime Minister's Okinawa Reversion Council was reorganized into the Northern Territories and Okinawa Reversion Agency. In their foreign policy statements to the Diet in early 1970, Prime Minister Sato and Foreign Minister Aichi Kiichi expressed their determination to initiate negotiations with the Soviet Union on this issue. Soviet President Nikolai Podgorny was scheduled to visit Japan, and in April, 1970, Kawashima Shojiro, Vice President of the ruling Liberal-Democratic party, went to Moscow, intending to hold unofficial talks on the Northern Islands with Premier Aleksei Kosygin. The Soviets, however, rebuffed this Japanese initiative. Due to illness, President Podgorny's visit was canceled, and Kosygin was unable to receive Kawashima.

At a Cabinet meeting in August, 1970, Foreign Minister Aichi declared that the

Soviet-West German treaty confirming the existing national borders in East Europe would have no effect on Japan's claim to Habomai, Shikotan, Kunashiri and Etorofu. That same month Sato indicated that he would welcome a meeting with Kosygin at the United Nations session in October. But again, Kosygin declined. It should also be noted that the Socialists, the major opposition party in Japan, go further than the Liberal-Democrats, demanding that all the Kuriles be returned to Japan; even the Communist party supports the government's claims to the islands.

A related source of irritation has been the seizure of Japanese fishermen and boats by Soviet patrol craft. Many of these seizures have been made within the 12-mile limit claimed by the Soviet Union around the disputed islands. According to Japanese government figures, from 1946 to the end of 1970 the Soviets seized 1,336 boats, with crews totalling 11,316, and have sunk 22 boats, taking the lives of 32 fishermen. In January, 1971, a Japanese delegation led by Arita Keisuke, Director of the European Affairs Bureau in the Foreign Ministry, traveled to Moscow to make another effort to recover damages and halt these seizures. Apparently, the Soviet Union agreed to receive Arita only on the condition that he would not bring up the Northern Islands question.

Despite their wrangling over territory and fisheries, a small but steady and mutually beneficial trade relationship has grown up between Japan and the Soviet Union. In 1969, this trade totalled \$730 million, and from January through September, 1970, it amounted to \$584 million. In recent years, the Soviets have enjoyed a surplus in exports—mainly iron ore, crude oil, lumber, cotton and coal. The principal Japanese exports are machinery, textiles, fruit and light industrial products. Trade with the Soviet Union accounts for two per cent of Japan's total foreign trade.

Ever since the Sino-Soviet rift became pronounced in the late 1950's, the Soviet Union has been suggesting that Japanese capital and technology would be welcome in the develop-

ment of Eastern Siberia, and has been hinting that if a deal could be struck, Japan could gain access to the oil, natural gas, coking coal and copper in the region. Although they have been going on intermittently for over ten years, the negotiations on Siberian development have not borne much fruit. The latest project to be discussed is the building of a new commercial port for the Soviet Union at Wrangel, not far from its Far Eastern submarine base at Nakhodka. Although the Wrangel project has been highly publicized in Japan, it appears that Japanese investors have not made any firm, large-scale commitments. The Japanese are probably being held back by a combination of political and financial considerations. Anxiety has been expressed in Japan over the Soviet naval build-up in the Indian and Pacific Oceans,⁶ and the government may not want indirectly to facilitate the expansion of the naval base at Nakhodka. In addition, the Soviets have reportedly been asking for very long-term, low-interest credits.

Given Japan's growing energy and resource requirements and her proximity to Siberia, it is tempting to conclude that the Japanese will find economic cooperation with the Soviet Union irresistible, and that such cooperation will promote peace and progress in Asia. To date, however, the Japanese have been more impressed with the danger of becoming dependent on Soviet resources and goodwill than with the promise of Siberian riches.

SINO-JAPANESE RELATIONS

Japan's relations with Communist China have not been markedly closer or more friendly than her relations with the Soviet Union, but their tone and flavor are different.⁷ In 1951, following the conclusion of the San Francisco peace settlement, Japan signed a peace treaty with the Nationalists on

Taiwan. The Japanese continue to recognize and to trade and invest with the Nationalists, and as a result they have no formal diplomatic relations with the Communist government in Peking.

For many Japanese, including some prominent conservatives, their estrangement from mainland China is a source of deep regret. Despite the tremendous differences in their present styles of living and social and political systems, there is a feeling in Japan of racial and cultural affinity with China, which is mixed with a sense of guilt over Japanese aggression in China in the 1930's and 1940's. Chinese nuclear tests and the excesses of the Cultural Revolution have dampened Japanese sympathies, but there is little animosity or fear of China among the Japanese.

Trade with mainland China has followed an erratic pattern. Ever since 1955, when the first unofficial trade missions were exchanged, Japanese policy has been based on the separation of economics and politics. In practice, this has meant encouraging trade with the mainland so long as it has not involved recognition or the making of any political concessions, including the extension of long-term credits for the exports of Japanese factories.

Viewed from Peking, this policy of separating economics and politics has been ideologically unacceptable and insulting. In a sense, Japanese policy has been one of not taking Peking too seriously and of conducting relations essentially on Japanese terms. For their part, the Chinese have repeatedly attempted to mix politics with trade. In 1958-1960 and to a lesser extent in 1967-1968, during the Cultural Revolution, the Chinese
(Continued on page 241)

⁶ For examples see Hideo Sakino, "Okean Maneuvers and the Soviet Navy," *Gunji Kenkyu*, August, 1970; and editorial, *Sankei Shimbun*, September 29, 1970.

⁷ For a detailed examination of Sino-Japanese relations emphasizing Chinese policy, see Walter LaFeber, "China and Japan: Different Beds, Different Dreams," *Current History*, September, 1970, pp. 142-146.

Martin E. Weinstein was until recently a research associate and executive editor of Columbia University's East Asian Institute. After serving in Japan with the United States Air Force for three years, he returned to Tokyo in 1967-1968 for research on Japan's defense policy. He is the author of *Japan's Postwar Defense Policy, 1947-1968* (New York: Columbia University Press, 1971).

"What may Japan's option be in Asia? This is the question—not an easy one for us—being asked more and more seriously by thoughtful Japanese." As this Japanese specialist sees it, "Perhaps the consensus answer for the moment is that Japan should contribute to the development efforts of the Asian countries as much as possible, with an eye on the long-term historical perspective and long-range national interests."

Japan and Southeast Asia in the 1970's

BY KEI WAKAIZUMI

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WITH THE COMING of the 1970's, the world has entered into its second "Decade of Development." The results of the first decade have been largely disappointing to most Asian countries struggling with the monumental problems of economic development. Not only the developed nations, the donor countries, but the developing countries themselves have encountered many hindrances to the realization of hopes and plans in the beginning stages of contact and development.

Donor countries might be expected to give priority to their own national interests. But many difficulties also manifested themselves in the developing countries. They tended to take it for granted that they would receive assistance from the developed countries without paying significant attention to their own deep-rooted problems such as their traditional social class structure, racial tensions, outmoded religious practices, land ownership, stagnant unemployment or disguised unemployment, and the extremely low productivity of the premodern sectors of their industries. It is essential for all nations to benefit from the failings and shortcomings of the recent past to make the second "Decade of Development" meaningful and fruitful.

Japan has been called upon to play an increasingly important role in the global at-

tempt to realize a peaceful and prosperous world community. As Foreign Minister Ki-ichi Aichi stated in his major policy speech in the Diet in January, 1971:

Our country is now, in the international community, moving from the position of a recipient to that of a donor, and our country's decisions and actions will inevitably exert not a little influence on the general world situation.

Japan's relations with Southeast Asian nations, her close neighbors, and her role as a member of this community should be examined within the context of her world role.

Over the past ten years, Japan has maintained economic growth at an annual rate of more than 10 per cent. In 1969, Japan moved up to third place in the world in gross national product, surpassed only by the two superpowers, the United States and the U.S.S.R. Moreover, by the mid-1970's, if Japan sustains the current economic pace and the rest of Asia continues to grow at its present rate, Japan's GNP will virtually equal that of all other Asian countries combined. This fact alone emphasizes the fact that Japan must take the lead as the most developed nation in Asia.

Despite her position as a strong economic power, Japan has confined her role in world affairs, in particular in her relations with the countries of Asia, to selling goods and mak-

ing money. In the post-World War II period, Japan seems to have accepted, without much resistance, the slightly derogatory titles given her, such as "salesman of transistor radios" (by the late French President Charles de Gaulle), "economic animal" (by a Foreign Minister of Pakistan), or "yellow Yankee" (by an Indonesian student newspaper). Until very recently, due to the fear of a rebuff from her sensitive neighbors, Japan was hesitant to undertake positive and responsible leadership even in the economic sphere. She had not given any clear picture of her "Grand Design" in Asia. So long as the present internal power structure in Japan persists, especially in the government and the Liberal Democratic party (and this will very likely be the case in the early 1970's at least), we shall probably see no radical changes in Japan's relations with Southeast Asia. The first half of the 1970's may be regarded, in a sense, as a transitional stage of preparation for the latter half, when Japan may well regard the international scene with a sense of balance. At that time Japan will hopefully establish more positive diplomatic and security policies based on true national interests, and will take decisive and independent action to realize national goals (that will benefit Asia as a whole) in accordance with these interests.

Bearing this in mind, what should be the fundamental principles of Japan's external relations with Asia in the first half of the 1970's? Japan must make a positive contribution to the building of the foundations for peace and security in Asia through cooperation with the developing nations of the continent. Needless to say, Japan's contribution may not in itself ensure the peace and security of the region, but it will help provide more favorable conditions for peaceful development. So the Japanese Foreign Minister continued in his policy speech:

The North-South problem is a problem of the times which should be solved in close partnership between the developed and the developing countries. In the final analysis, the only way to bring about true peace and stability in the world is for the whole world to move toward prosperity as one body.

Japan's basic attitude should be to respect the nation states she aids by responding to their requests for cooperation and by aiding and encouraging their efforts to help themselves. It goes without saying that this does not mean that Japan is superior to Asian countries. The old myth of the "Liberation of Asia," or the "Construction of a Greater East Asia Co-Prosperity Sphere" should never be permitted a revival.

ECONOMIC RELATIONSHIPS

Before evaluating the role that Japan desires and is able to play in Southeast Asia, Japan's economic relationship with the Asian countries and their reactions toward Japan in the past several years should be reviewed. Such an approach helps in an understanding of how Japan can achieve her goals.

As a great trading country, Japan is highly dependent on foreign countries to provide raw materials and, at the same time, markets for her products. Southeast Asia has actually become less significant than before as an import source for Japan in recent years. In 1968, Asia marked 15.3 per cent in Japan's import composition, next to North America's 37.2 per cent, while Asia's share had been 17.2 per cent in 1965. In the meantime, the importance of Asia as Japan's export market increased from 26.9 per cent in 1966 to 27.8 per cent in 1968, next to North America's 34.2 per cent. This means that the existing pattern of unbalanced trade in favor of Japan has become more evident, and Japan's trade surplus from Asia is in an upward trend: \$400 million, \$1,000 million, and \$1,628 million in 1964, 1966 and 1968 respectively. This increasing unbalance of trade has been, and may continue to be, one of the main sources of tension with or resentment of Japan in most Asian countries. (Only three nations of Asia export more than they import in their trade relations with Japan: Malaysia, India and Indonesia.)

Japan's aid to Asia constitutes another significant aspect of her economic relations with Asia. Although Japan has long expressed her willingness to provide aid and cooperation as a necessary adjunct to any

Asian policy, reactions from abroad have not always corresponded to Japanese intentions. Japan's aid policy has been sometimes criticized in such terms as "Japan is parasitic on foreign aid," "Japan's aid is domestic aid in the name of external aid," and so on. Even a moderate political leader, the former Premier, Prince Abdul Rahman of Malaysia, publicly criticized Japan's aid program when he was in Tokyo in August, 1970. Rahman, defining Japanese as "difficult people to deal with, unkind and ungenerous," remarked that Japan gave with one hand while taking as much away with the other.

JAPAN'S AID PROGRAM

Taking these comments into account, what are the true conditions of Japan's aid program in its various facets and why is Japanese aid so unpopular among the recipient countries of Asia? Japan has increased her aid to developing countries—mainly those of Southeast Asia—year by year at a rate slightly higher than the rate of increase in the GNP. In 1969, such aid amounted to \$1,263 million, as against \$1,049 million in the previous year. Furthermore, the 1969 aid total was three times as much as the total in 1960. Japan ranked fourth among aid-givers among DAC* members in 1969, the United States, West Germany and France topping the list. In terms of GNP, the figure grew from 0.74 per cent in 1968 to 0.76 per cent in 1969. For the first time, it surpassed the average rate of DAC donor countries, although it was still far from O. E. C. D.'s** desirable target of a contribution of one per cent of GNP devoted to aid.¹ In addition, in the sphere of quality of assistance, methods of aid distribution and

administration there are still problems that remain to be satisfactorily ameliorated.²

Japanese aid has largely been oriented to promote Japan's own trade, as has been the case with West Germany, for example, unlike the United States, the United Kingdom, or France, which have been motivated largely by political or historical considerations. The ratio of government development aid to the total aid of Japan was only 34.5 per cent in 1969, while the DAC average was 49.7 per cent. Moreover, the total government development aid comprises only 0.26 per cent of the GNP. This ranks fourth from the bottom and under 0.36 per cent of the DAC average, although O.E.C.D. has urged increasing the proportion of government development aid to the GNP.³

Another conspicuous feature of Japan's aid program is the low priority given to technical cooperation. This shortcoming may be felt acutely, especially in the countries of Southeast Asia. If you give a fish to a hungry man, he can have one meal; but if you show him how to catch fish, he may not go hungry for the rest of his life.

Although the volume of technical cooperation has shown an upward trend, recording \$13.7 million and \$19.0 million in 1968 and 1969, respectively, its ratio to government development aid was only 4.4 per cent in 1969, which is the lowest among DAC nations. Its ratio to the total amount of aid was also lowest, a mere 1.5 per cent, with the DAC average standing at 11.0 per cent in the same year.⁴

Perhaps another feature of the Japanese aid program which calls for study and improvement is the fact that Japan's aid is well known for the strict and unfavorable conditions it demands of recipient countries. For example, the average conditions of the repayment period, interest rate and grace period of DAC countries were 27.8 years, 2.8 per cent and 6.7 years in 1969 while corresponding conditions of Japan's aid were 19.5 years, 3.7 per cent and 6.1 years.

The above-mentioned conditions of Japanese aid, according to some observers, have given rise to complaints and dissatisfactions

* Development Assistance Committee of the U.N.

** Organization for Economic Cooperation and Development.

¹ The position of Asia in Japan's overall aid program is extremely high, i.e., 83.3 per cent of the total in 1969. Thus the term "Japanese aid" is used in this essay to refer primarily to aid to Asia.

² In 1969, countries which had high proportions of government development aid to GNP were Portugal (1.04 per cent), France (0.69 per cent), Australia (0.56 per cent), Belgium (0.51 per cent) and Netherlands (0.51 per cent), namely, ex-colonial powers, with the exception of Australia.

³ See Table I and Table II.

⁴ See Table III.

and have promoted neither mutual friendship nor a feeling of gratitude on the part of the recipient nations. Unless such a situation is improved in the near future, Japan may face severe criticism and resentment from her potential friends and allies and may

be forced to reexamine her relations with Asia. In short, Japan has to rethink her attitudes on external aid in a fundamental sense, abandoning the quantitative point of view that uses the GNP as the only basis of calculation and turning to more qualitative out-

Table I. The Trend of Japan's Aid

| | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
|-----------------------------|-------|-------|-------|-------|-------|---------|---------|---------|---------|
| a Total Aid (\$ million) | 381.4 | 286.2 | 267.6 | 291.2 | 485.9 | 625.1 | 797.5 | 1,049.3 | 1,263.1 |
| b GNP (\$100 million) | 531.3 | 588.9 | 679.6 | 801.1 | 883.1 | 1,015.1 | 1,197.1 | 1,418.8 | 1,664.0 |
| c a/b (%) | 0.71 | 0.49 | 0.40 | 0.36 | 0.55 | 0.62 | 0.67 | 0.74 | 0.76 |

Source: *Annual Report on Economic Cooperation*, Ministry of International Trade & Industry of Japan, Tokyo, 1970.

Table II. Percentage Proportion of Aid to GNP in DAC Member Countries

| | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
|----------------|------|------|------|------|------|------|------|------|------|
| Australia | 0.44 | 0.43 | 0.51 | 0.57 | 0.60 | 0.62 | 0.74 | 0.73 | 0.74 |
| France | 2.10 | 1.86 | 1.48 | 1.46 | 1.30 | 1.22 | 1.15 | 1.36 | 1.24 |
| West Germany | 1.04 | 0.69 | 0.66 | 0.68 | 0.64 | 0.65 | 0.94 | 1.21 | 1.30 |
| Italy | 0.66 | 0.89 | 0.64 | 0.43 | 0.45 | 0.99 | 0.41 | 0.73 | 1.03 |
| United Kingdom | 1.17 | 0.92 | 0.84 | 0.99 | 1.03 | 0.85 | 0.73 | 0.74 | 0.97 |
| United States | 0.86 | 0.77 | 0.76 | 0.74 | 0.78 | 0.64 | 0.70 | 0.66 | 0.49 |
| DAC Average | 0.95 | 0.81 | 0.77 | 0.75 | 0.78 | 0.71 | 0.73 | 0.79 | 0.73 |

Source: *Annual Report on Economic Cooperation*, Ministry of International Trade & Industry of Japan, Tokyo, 1970.

Table III. Technical Cooperation of DAC Countries

| | 1966 | 1968 (\$1 million) | 1969 | Ratio to Government Development Aid | Ratio to Total Aid |
|----------------|---------|-----------------------|---------|---|--------------------------|
| Australia | 7.6 | 12.0 | 10.1 | 5.7 | 4.4 |
| France | 381.5 | 421.3 | 431.6 | 44.7 | 24.8 |
| West Germany | 105.7 | 128.8 | 148.8 | 25.1 | 7.5 |
| Italy | 10.9 | 11.2 | 13.2 | 9.6 | 1.6 |
| Japan | 7.6 | 13.7 | 19.0 | 4.4 | 1.5 |
| United Kingdom | 85.2 | 91.9 | 98.8 | 24.3 | 9.8 |
| United States | 535.0 | 647.0 | 637.0 | 20.1 | 13.7 |
| Total DAC | 1,235.3 | 1,465.5 | 1,488.0 | 22.2 | 11.0 |

Source: *Annual Report on Economic Cooperation*, Ministry of International Trade & Industry of Japan, Tokyo, 1970.

looks that take into consideration the above-mentioned conditions.

DEVELOPMENT STRATEGY IN THE 1970's

The international voices stressing increases in aid for the sake of world peace and prosperity have become louder and more insistent in the past few years. At the UNCTAD* meeting in New Delhi in 1968, it was resolved that aid-givers should set one per cent of their GNP as their objective. Furthermore, in the fall of 1969, the so-called Pearson Report was published at the request of Robert McNamara, president of the World Bank. The report made ambitious proposals for the 1970's in development strategy.

Two points were especially noteworthy for Japan. The report suggested, first, that developed countries should devote one per cent of their GNP to foreign aid by 1975 and, second, that developed countries should expand government development aid up to 0.7 per cent of GNP by the end of 1975, or by 1980 at the latest. Japan's response to these international trends was immediate and receptive. At the O.E.C.D. Ministerial Conference in May, 1970, the Japanese representative replied to O.E.C.D. advice by saying that 1) Japan would spend one per cent of GNP on aid by 1975; 2) government development aid would receive more attention than before; 3) aid through international organizations would be increased. These responses to the worldwide call for aid were formulated after a good deal of introspection on the part of Japan as to her aid programs in the past. Again quoting from Foreign Minister Aichi's latest official policy speech mentioned above:

Our country has already made clear its attitude toward the achievement of the target of one per cent of GNP and the abolishment of tied aid in its economic cooperation. Furthermore, it is our intention to assist the nation-building aspirations of the developing countries through striving for such qualitative and quantitative improvements in economic cooperation as the easing of loan conditions, the enlargement of grants-in-aid, and the expansion of technical cooperation. It is

also our intention to participate in a positive manner in the multilateral aid to be extended through the cooperation of the developed countries.

Yet there was another consideration behind Japan's positive attitude. In early May, 1970, at a Cabinet meeting, the government of Japan approved the New Program on Socio-Economic Development, in which the development of a new economic diplomacy as well as new domestic socio-economic policies were adumbrated, based on the idea of international solidarity. The program aimed at a balance between Japan's economic development and the growth of the world economy.

The Japanese GNP is projected to reach \$400,000 million by 1975. If Japan devoted one per cent of this GNP to aid, or \$4,000 million according to this projection, she would have to increase the present level of aid of \$1,263 million by more than three times. The Japanese authorities in charge of economic diplomacy appear to be confident that they can realize this goal. The government, however, is less receptive to the second United Nations aim of devoting 0.7 per cent of GNP to government development aid, although it has expressed an intention to strive in this direction. In 1975, 0.7 per cent of GNP is expected to amount to \$2,800 million which could be realized only by maintaining an annual rate of increase of 36 per cent. The government, however, suggests the possibility of raising the level to 0.4 per cent, equivalent to \$1,750 million.

JAPAN'S INCREASING AWARENESS

In the 1960's, there were at least three factors which promoted Japan's increasing awareness of and participation in emerging regional cooperation in Asia, the development of which would be significant and meaningful in many senses.

First, since the mid-1960's, Asia has entered into a new age of nationalism. As symbolically shown in the case of Indonesia, political leaders have turned their eyes from "political and outward-oriented nationalism" to "economic and inward-looking nationalism," which put its first priority on concrete and

* United Nations Conference on Trade and Development.

constructive economic policy. This has drawn attention in many of these countries to the need for developing stronger regional cooperation and coordinating development efforts instead of fostering international tension and confrontation. The end of the quasi-war between Indonesia and Malaysia in 1966 and the settlement of the Saba territorial issue between the Philippines and Malaysia in 1969 cast a bright light on the development of regional cooperation in that area of the world.

Second, Japan, the third strongest economic power in the world, has begun to take a more positive approach to the development of Asia, though she still maintains an unsatisfactory standard in the eyes of O.E.C.D. and most developing countries. Japan's diplomatic normalization with the Republic of Korea in 1965 may have marked the first step in this direction.

Third, the gradual but steady withdrawal of United States and British forces, which have played an important role in the politics and economics of Asia, has encouraged Asian political leaders to think about the future role of Asia, in both the economic and political spheres. United States disengagement based on the "Guam doctrine" has had a substantial impact in this regard.

With these factors as a background, Japan has begun to make concrete contributions to development efforts in Asia. Japan took the initiative in the opening of the Ministerial Conference for Economic Development of Southeast Asia in April, 1966, in which all Southeast Asian countries except Burma participated. Japan's leadership in economic development in Asia was pledged by the Japanese government and was encouraged by Asian participants. Moreover, effectuation of economic cooperation agreements with Korea

and Taiwan and the establishment of the Asian Development Bank in about the same period influenced Japan's attitudes. Japanese aid, therefore, increased to \$625 million in 1966, although it had been only \$291 million in 1964.

Taking into account the Ministerial Conference for the Economic Development of Southeast Asia and the A.D.B., Japan is committed to nine regional cooperative organizations out of 15 now functioning in Asia. Japan provided \$200 million out of the \$1,100 million of total A.D.B. capital. This is the same amount as the anticipated United States contribution. The remaining seven organizations with which Japan is involved are EC-AFE, the Colombo Plan, ASPAC, the Conference on Agricultural Development in Southeast Asia, APO, OPEC and PAFTA, and Japan has taken some initiatives in the last four organizations.*

Japan's attitude toward ASPAC has been rather cautious. She committed herself to ASPAC, which was instigated by the Republic of Korea in June, 1966, on the condition that the organization would not become a military pact against Communist countries in Asia. This stipulation reflected Japan's anxiety over the improvement of the delicate Sino-Japanese relationship and an awareness of the political realities of her position. At the fourth Ministerial Conference of ASPAC, held in Japan in mid-1969, Foreign Minister Aichi insisted that ASPAC should concentrate its energy on the socio-economic development of the region, pointing out that "the struggle for development" and "initiatives for peace" should be the guidelines for ASPAC.

A similar comment may be made for ASEAN** in Southeast Asia. ASEAN, consisting of Malaysia, Indonesia, Thailand, the Philippines and Singapore, established in August, 1967, set as its aims the economic development, social progress and cultural development of Southeast Asia. Therefore, member countries have avoided any step that might depict ASEAN as an anti-Communist military pact basically concerned about exposure to intervention from external powers.

* ECAFE (Economic Commission for Asia and the Far East)

Colombo Plan for cooperative economic development in South and Southeast Asia

ASPAC (Asian and Pacific Council)

APC (Asian Productivity Organization)

OPEC (Organization of Pacific Economic Cooperation)

PAFTA (Pacific Asia Free Trade Association)

Ed. note: not yet established.

** ASEAN (Association of South East Asian Nations)

There is only a slight possibility that the existing regional cooperative organizations in Asia will accelerate their activities in the political and military spheres. Mutual relations in these organizations may, even in the economic sphere, remain loose and limited. The organization of economic sub-regions and the integration of specific industries seem to be more practical possibilities for action. Regional integration on an all-inclusive South-east Asia basis in the form of a fully developed free trade area, customs unions or a common market like the West European does not seem promising. Asia in general and South-east Asia in particular do not as yet form an area of "unity in diversity"; although they share common ideals for political stability and economic development, they remain a compound of heterogeneous countries.

In this situation, we believe that Japan should take greater and more sensible initiatives in aid plans for Asia and should work for the promotion and strengthening of effective cooperative economic structures. As an intermediate country between the developed countries of the Pacific area and the developing countries of Asia, Japan must also support closer cooperative relations between the two groups. The geopolitical position of Japan as part of Asia and at the same time part of the wider Pacific community constitutes a favorable condition for Japan's unique responsibility in Asia.

JAPAN'S FUTURE ROLE?

Now Japan, the loser in World War II, has become the third greatest economic power in the world. The winners in World War II, the United States and Britain, are in the process of withdrawal from Asia in the very period when their former enemy may take a new style of initiative in this part of the world. This might seem to indicate that Japan will have added responsibility in the maintenance and promotion of viable peace in a dynamic and unstable Asia.

In the past 25 years, Japan's concern with the world outside has remained almost solely economic. However, most observers agree that the rapid growth of her economy and the

maintenance of her economic interests will inevitably compel Japan to become involved in non-economic relations in Asia in the near future, regardless of Japan's wishes. Political leaders in present-day Japan seem rather unwilling to take an active part in political, diplomatic and security relations in Asia at least for the time being. Other Asian countries may neither desire nor allow Japan to appear as a political leader in the same old fashion. Their image of a militant or aggressive Japan is not infrequently expressed publicly and we Japanese are becoming more aware of this criticism.

Assuming that the above two conditions obtain in the foreseeable future, at least in the early 1970's, what may Japan's option be in Asia? This is the question—not an easy question for us—being asked more and more seriously by thoughtful Japanese. Japan is still in search of a role—a proper role. Perhaps the consensus answer for the moment is that Japan should contribute to the development efforts of the Asian countries as much as possible, with an eye on to the long-term historical perspective and long-range national interests.

To be sure, compared with other advanced nations, the Japanese economy still has its fragile aspects (low per capita income, small foreign currency reserves compared with the scale of the economy, inadequate social capital, differences and inequalities between big business and medium and small enterprises). For these reasons, Japan has heretofore avoided international responsibilities and obligations wherever possible. But if Japan continues to employ such excuses, she will never be able to gain the respect due her as a great economic power, nor overcome the scorn of

(Continued on page 242)

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"While one-party dominance may seem to some to be an indication of the strength of Japan's political system, it is in fact a major weakness. No one party can bridge all cleavages and represent all interests, and to the extent that citizens feel they are not being represented, there is frustration, apathy, a distrust in politicians and politics and attempts to achieve goals by direct action."

Conservative Dominance in Japanese Politics

BY GERALD L. CURTIS

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JAPAN HAS NOT EXPERIENCED a transfer of governmental power from one political party to another for over 15 years. The Liberal Democratic party has controlled the government ever since the party's creation in 1956. Adding the time period in which the L.D.P.'s direct predecessors were in office, there has been uninterrupted conservative party rule in Japan from before the regaining of independence from the United States in 1952 to the present day. The major opposition party, the Japan Socialist party, was able to obtain enough seats to lead a short-lived coalition government during the American Occupation but has been unable to gain much more than one-third of the seats in the Diet, Japan's national legislature, at any time since.

The L.D.P. is a catch-all party covering a wide area of the political spectrum. Some of its leaders are by almost any measure reactionaries, hoping to revise the constitution for the purpose of reinstating much of the political philosophy of the former Meiji constitution and some of the political practices of the prewar period. Others are, in conventional American terms, liberals committed to a welfare state economy, a limited military establishment and the defense of the liberal political philosophy embodied in the present constitution. Most, of course, fall some-

where between these two poles, and in terms of basic political philosophy, the majority are closer to the right than to the left wing of the party. Since the major opposition party has been wedded to a rather classical socialist ideology, the L.D.P. has never had to confront a significant centrist opposition and has won by default, so to speak, the support of a number of voters who have found the ideology of the Socialists unattractive.

The party gets overwhelming electoral support from farmers and the self-employed but has also had considerable success in obtaining support from all sectors of the electorate. This is partly due to the conservatives' long experience with election campaigning. They have been at it since 1890, whereas the Socialist opposition first began really to develop campaign techniques and organizational strategies after World War II. The conservatives are not only better technicians; they are also in the best position to utilize traditional patterns of social relations in building their support. To the extent that they exist, class cleavages, whether measured in terms of income or occupation, are not strongly mirrored in party support. Neither, interestingly, are age differences. Although the L.D.P. gets greater support from more elderly voters, it also gets a larger percentage of the 20- to 30-

year-old age group's vote than any other party. One must note, however, that there has been an ever growing abstention rate among young voters, particularly in urban areas. In the most recent Diet election, in December, 1969, the lowest voting rate, 56.35 per cent, was in the largest city, Tokyo, and the highest abstention rate in Tokyo was among the 20- to 30-year-old age group.

Although the L.D.P.'s support reflects no significant class cleavages, it does, increasingly in recent years, reflect an urban-rural cleavage. Japan is an urban society. The L.D.P. is a rural-based majority party. The contradiction inherent here is sustained largely because the party has refused to reapportion election districts to bring them into line with changed population patterns. Although only 20 per cent of the labor force is engaged in agriculture and other primary industries (the figure was 40 per cent in 1955), rural and semi-rural districts hold 62 per cent of the seats in the Diet (302 seats for these areas as contrasted with 184 for urban and metropolitan areas). Obviously, the L.D.P. is not likely to agree to a major redistricting until and unless it believes it has sufficient strength among the urban voters to retain the reins of power. The party has made some efforts to develop an urban base but has experienced great difficulty because of basic conflicts of interest between potential urban and present rural supporters.

The party's policy on rice prices demonstrates this point. To maintain a stable and high selling price for farmers, the government continues to support a policy by which it buys all the rice produced for general consumption. It then sells it to consumers at a lower price, the consequence being an annual budget deficit of over \$7 million.

The party's leadership has for the most part been pragmatic, cautious and capable, characteristics which largely derive from the fact that almost the entire leadership graduated from Tokyo University or one of the other national universities and came into elective politics after illustrious careers in the national bureaucracy. The three Prime Ministers who have been in office since 1957—

Kishi, Ikeda, Eisaku Sato—are all former bureaucrats, and the majority of L.D.P.-appointed Cabinet members have come from bureaucratic careers. While rather colorless as political personalities (the L.D.P., contrary to the usual stereotype, has some very colorful leaders but these men for the most part come from other than bureaucratic backgrounds), these former bureaucrats are on the whole capable administrators. Because of their previous careers they tend to take a rather officious attitude toward the electorate, but are able to maintain smooth working relations with the bureaucracy. The latter is of particular significance in the Japanese system, since all ministry positions up to and including the post of vice minister are closed to political appointment.

Unlike the United States President, the Japanese Prime Minister cannot fill the top echelons of the bureaucracy with political appointees to assure compliance and cooperation with his program. He can appoint only the minister—who serves on the average only seven months so that other anxiously waiting L.D.P. Diet members have a chance to enter the Cabinet. The Diet has a committee system, but it has not been the practice for bills to be written in committee. Almost all legislation originates as a Cabinet bill which means that it originates for the most part in the bureaucracy.

The L.D.P. has a strong grip on the reins of power, commanding 62 per cent of the seats in the lower house of the Diet. But the party does face serious problems, one of which—or rather the symbol of which—is its declining percentage of the popular vote. The percentage of the public that votes L.D.P. has been on a slow but steady decline ever since 1958, when the first Diet election to follow the unification of the conservative parties was held. In that year, the party obtained the support of 57.8 per cent of the voting public. By 1967, this had dropped to 48.8 per cent, the first time the L.D.P. had received less than a majority of the votes, and in the most recent election in 1969, the party's popularity dipped to 47.7 per cent.

Because of a skillful candidate endorsement

policy, this decline has not yet been reflected in the party's number of seats. Under the Japanese system, districts elect from three to five members of the Diet, with each voter having one vote. As its popular vote has declined, the L.D.P. has reduced its number of candidates, maximizing the party's popular vote in a district behind a smaller number of candidates. In 1958, the L.D.P. elected 287 candidates, and in 1969 it elected 288. But in the earlier election, it ran 413 candidates while in the later one it ran only 327—in a Diet that had been expanded by 19 seats. The L.D.P. is quickly approaching a threshold where a further decline in the popular vote will make its strategy of reducing the number of candidates inoperative. With independents who joined the party after the 1969 election, the party now has a Diet contingent of 302. Unless it reverses the decline in its popular vote, the L.D.P. will begin to lose seats as its candidates split the smaller vote and defeat each other. It is not impossible that the L.D.P. will reverse the trend, particularly if the opposition parties fail to revitalize themselves. But so far, for 4 general elections over 13 years, the trend has remained constant.

The large size of the L.D.P. Diet membership in itself poses a problem. It inevitably creates discontent among Diet members, who have to wait, they feel, too long, or who never get a chance, to be appointed to the Cabinet or a high party post. Recent proposals to expand the Cabinet are probably more a response to this problem than an attempt to rationalize the decision-making process. While these frustrated politicians are not likely to take the initiative in forming a new party, it is not inconceivable that they would join another party if they thought it could gain control of the government. This might be particularly true for young Diet members who are at the bottom of a long waiting list. The L.D.P. was formed in response to the reunification of socialist parties in 1955 and well might undergo another change if the opposition is reorganized. The question is whether the opposition will reorganize.

It has been traditional in postwar Japan to

talk of an ideological division between camps: the conservative camp on the one side and the progressive camp on the other. Though still useful in analyzing some aspects of political behavior, this neat cataloguing of political opinion is losing much of its former validity. Most important, there is a significant move toward a centrist, non-ideological opposition among former members of the progressive camp, including important sectors of the labor movement, a substantial number of intellectuals and elements within the Japan Socialist party. There has also emerged a new left, highly critical of the more traditional left which it views with somewhat the same scorn radicals reserve for liberals in the United States. It would be wrong to argue that Japan is coming to the end of ideology, to borrow Daniel Bell's phrase, but it does appear that old ideologies are dying rather quickly and that new ones will be taking their place. Economic development, the growth of national self-confidence, the coming of age of a generation that has no memory of war years and other factors are combining to make new demands on the opposition.

Japan's economic success story has dealt a most serious blow to the traditional left. It has become increasingly difficult to make a convincing argument for the need to change the economic system when growth rates have soared and per capita income, though not keeping pace with the increase in the gross national product, has risen dramatically. Recent survey data show a marked growth of a strong middle class consciousness among blue collar workers, and this has had an enormous impact on the labor movement. More and more, labor union leaders are pressing for fewer political and more economic struggles to bring a greater share of the national prosperity to the working man.

Several leaders within Sohyo, the large labor federation that has been the organizational backbone of the Socialist party, have been in the forefront of this movement. Sohyo has found it increasingly difficult to mobilize the support of its member unions behind the Socialist party and this has resulted in a considerable decline in Sohyo's political

influence. Sohyo has also suffered from the pattern of economic growth. Most of its member unions represent government workers and workers in declining industries while the more politically moderate Domei federation is made up of unions of workers in the private high growth sectors of the economy. All of this has led to serious, if still inconclusive, discussions for unification of the labor movement (which now has four federations and a number of large independent unions). Any reorganization would accelerate organized labor's move away from a heavy emphasis on political struggle and would further spur parallel moves toward reorganization by the opposition political parties.

The passage of time itself has had a most telling effect on the traditional left. Many of the concerns of the left devolve from Japan's particular prewar, wartime and immediate postwar experiences. In both domestic and foreign policy, the Socialist party and its supporters have been fighting against the past, against a return to the prewar political system and the foreign policy of the 1930's. For the generation under 30, these issues have an increasingly abstract quality and for older generations, although important, they do not respond to more pressing mundane concerns of housing, medical care, inflation and the like.

During the 1950's and to a lesser degree through the 1960's, the Socialist party and other opposition parties of the left had considerable public backing for some of their policies, particularly with regard to foreign policy and the defense of the constitution and new found freedoms. Today, however, opinion on issues of foreign policy and national defense is much more divided, and the Socialist policy of unarmed neutrality commands greatly reduced support. The increase in Japanese economic strength, the breakdown of a bipolar international system and the coming to age of a generation that has not known war, combined with a somewhat older generation that has only vague memories of war, have largely pulled the supports out from under the Socialist policy. It is possible to make a case for Japanese neutrality in the

present world, but the Socialists continue to defend their policy on the basis of assumptions about Japanese attitudes and capabilities and world power relations that belong to a past age.

The failure of the progressive parties to adapt to the new concerns of the electorate has resulted in increased frustration and apathy among the voting public. There has been a noticeable decline in public interest in Diet elections in the past few years. While voting rates in themselves are not a sufficient index of political apathy, there is significance in the fact that the lowest voting rates are in the largest cities and among the youngest voters. The voting rate in the 1969 general election (68.51 per cent) was the lowest in 22 years. While many Socialist party supporters fail to go to the polls because they believe the party stands no chance of success, many urban conservative voters abstain because of a feeling that the L.D.P. is more responsive to rural than to urban needs and that there is no party to represent their interests.

The absence of meaningful choice for an electorate because of one-party dominance is moderated to some extent in Japan by the choices available among L.D.P. candidates. Because of the multi-member single entry ballot districting system, in many districts voters can choose between two or three or more L.D.P., candidates coming from different factions and, in some cases and to a limited degree, representing different policy positions. But this is only limited compensation, particularly since total discipline in the L.D.P. insures voting along strict party lines.

The lack of representational parties has also resulted in the emergence of a large number of single-interest groups that engage in direct action campaigns of one sort or another. In past years such "citizen movements" were largely involved in the defense and promotion of pacifism in its various forms: thus the several "ban nuclear weapons" movements, the anti-Security Treaty movement and the actions to prevent a revision of article nine of the constitution. Today, pacifism as a major political move-

ment is dead, and public dissatisfactions are not focused on one particular issue but range over a multitude of problems that tend to be concerned with specific, personal welfare issues such as housing, consumer prices, transportation, medical care and the pollution of the environment. During the 1950's citizen movements tended to be nationwide in character and almost all were linked with progressive parties. But today most of the movements are not party affiliated and are not nationwide (with the notable exception of pollution which has, as in the United States, become an issue of nationwide concern). Well aware that the opposition parties do not have the public support for their programs they had in the 1950's, the L.D.P. feels much less inhibited in pushing through legislation opposed by these parties. This in turn has resulted in concerted efforts by the opposition parties to coordinate their activities against L.D.P. policies in the Diet, but there are very narrow limits to how far such cooperation can go. As long as the parties are competing against each other for support from the electorate, they need to demonstrate independent positions. The logical conclusion of present efforts at coordinating Diet activities is the elimination of policy distinctions between the parties. Indeed, the question that faces these parties is whether they will be able to submerge their differences and unite in a new, effective party of opposition.

THE ELUSIVE SEARCH FOR UNITY

As a consequence of its inflexibility in the face of rapid social and economic change, the Socialist party, which has always been torn by ideological disputes, has been further divided internally and deserted in ever growing numbers by its erstwhile supporters. In the most recent lower house election, the party suffered a disastrous defeat, dropping in the popular vote from 28 per cent to 21 per cent and in the number of seats from 140 to 90. The Democratic Socialist party, formed in 1959 by right-wing members of the Socialist party, has carved out a position for itself in the center, but is dominated by an aged leadership and lacks a strong financial

base. The failure of the D.S.P. to gain significant strength is explained in part by the timing of its appearance on the political stage. In 1959-1960, Japanese society was still highly polarized on very fundamental issues; Prime Minister Ikeda was yet to announce his "double the income" policy; and the social effects of a highly developed economy were not yet fully felt. In a sense, the D.S.P. was a party of the 1970's created in the 1960's and is now too old and demoralized to play the role it was created to perform.

The Komeito has consciously sought for a "middle of the road" policy and the vagueness of its political program probably accounted for some of its appeal in past elections. But the party's close identification with its religious patron, the Soka Gakkai, and serious doubts among the public about its commitment to basic democratic principles inhibit any further dramatic growth. The Soka Gakkai leadership is beginning to fear that some of the party's policies will alienate Gakkai members, and the party fears that its close association with the Gakkai will limit its appeal among non-Gakkai voters. Thus in recent months both party and religion have advocated a loosening of their ties, a development that inevitably undercuts Komeito's organizational support. Komeito leaders in recent months have been in the vanguard of those calling for a reorganization of the opposition.

The Japan Communist party has moved in recent years to a position of independence from both Moscow and Peking, has advocated a policy of armed neutrality, and has concentrated on the domestic scene on practical urban problems. It has gained considerably in electoral strength, tripling its seats in the Diet in the past election to 14 and electing, in cooperation with the Socialists, the governors of Tokyo and Kyoto. It is unlikely, however, that in the foreseeable future the party will reach a position of strength comparable to its counterparts in France or Italy. The traditional left in Japan, and the Sohyo labor federation in particular, has been Marxist but anti-Communist. Sohyo, in fact, was originally formed as a counterweight to Com-

munist influence in organized labor in the early 1950's. As the labor movement moves away from its traditional political orientations it will become increasingly difficult for any party to maintain, much less build anew, a strong base of support in the movement. This is not to say that the J.C.P. may not get increasing support from laborers, but this is different from the organized backing of major labor unions. Also, unlike Italy, the J.C.P. has had very little influence in local governments, and that situation is not likely to change very dramatically.

Although the J.C.P. and the J.S.P. have jointly sponsored candidates in some elections, proposals formally to reorganize the opposition involve only the D.S.P., Komeito and the right wing of the Socialist party. There is also considerable speculation about the participation of some young, liberal L.D.P. members in the proposed reorganization, but, as mentioned earlier, defections from the L.D.P. are likely to follow rather than precede the creation of a new party.

Despite the pressures for reorganization, the search for unity among opposition members remains elusive. Personal enmities between party leaders, the problem of deciding who is to run from districts that have incumbent Diet members from two or more of the parties to be merged, policy differences, the tenacity of party loyalties among some of the right-wing Socialist leaders, a reluctance of many to join forces with the Komeito, and the lack of a strong organizational and financial base pose enormous obstacles to any significant reorganization. Chances would be greatly improved if the labor movement united but, for a time at least, continued intra-party disputes are more likely than the creation of a new party. In the meantime, the existing parties are coming to be discredited in the eyes of an ever growing number of people including, as in the United States and Western Europe, the youth.

There is no space here to go into detail about the new left in Japan but it is necessary to point out that it is a *new* left in a very fundamental sense. The old left, as was indicated, has been largely preoccupied with

the past, with many of its policy positions deriving from a "let's never let it happen again" mentality. The new left, particularly the radical student group, while not necessarily unsympathetic to the issues raised by the traditional left, has very different concerns which are probably more comprehensible to an American or French university student than to a Socialist party member or an elderly Marxist intellectual. The new left tends to be preoccupied with broadly philosophical rather than narrowly political issues, with questions about the meaning of life in the post-industrial society, of how to assert one's individuality in an ever more programmed environment. Its heroes are the heroes of the new left everywhere—Mao, Marcuse—men clearly not the heroes of the old left.

Radical student groups as well as some young labor groups (particularly those in the Anti-War Youth Committee) have used violent tactics and this, predictably, has provoked a law and order reaction and repressive government measures. There are other groups in the new left that reject violence, one of the best known of which is the Beheiren, the Committee to End the War in Vietnam. While created as a vehicle for public expression of condemnation of the war in Vietnam and of Japan's cooperation with United States policy in Vietnam, it places as much emphasis on its methods and

(Continued on page 246)

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"In such an article as this, one might expect news of a vast and spectacular change both in educational practice and in cultural trends. This is not my information and such is not my impression of Japan."

Educational and Cultural Trends in Japan Today

By W. SCOTT MORTON

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THERE ARE MORE color television sets measured per capita in Japan today than there are in the United States. Every discussion of present-day trends in Japan must take account of the fact that the country has, in no uncertain manner, gone modern. But the roots of society and culture extend deep into the past and still derive strength from tradition.

For the purposes of this article, education may be regarded as all the varied influences which prepare men and women for adult life. Both in this wider sense and also in the restricted sense of curriculum and method, the history of education in Japan may be divided into four stages, none of which is totally obsolete, and all of which still affect, in greater or less degree, the children in the school and the youth in the colleges and the streets. They are, in brief:

A. *The Traditional Stage.* Inspiration for this stage was derived from China and Confucius, and the emphasis was placed upon literature and the humanities, and upon the ethics of duty, loyalty and filial piety. We have heard much in Japanese history of the influence of Shinto and Buddhism, but less than justice has been done to the strong Confucian element, introduced officially as early as the seventh century and at its height in

the realm of education in the eighteenth and early nineteenth centuries.

B. *The Modernizing Stage.* Following the Meiji Restoration of 1868, the statesmen of the new Japan deliberately borrowed from the West a number of institutions which they felt could be best adapted to their country's purposes—a constitution from Bismarck in Prussia, a navy from Great Britain, and education modeled largely on the American pattern, which they had seen well exemplified in some excellent mission schools, particularly in pioneering schools for girls. To this they added parts of the administrative apparatus drawn from France and Germany. The incompatibilities in these various borrowings struck the Japanese less than they would outsiders, for all was reduced to order under the aegis of "the Japanese spirit." One of the more picturesque and influential figures of this dynamic age was Yukichi Fukuzawa, founder of the school which became Keio University, the first private university in Japan. He describes his early struggles with "the strange letters written sideways," and the fury of his samurai father that his children were being taught arithmetic in a small private school. "It is abominable," the father exclaimed, "that innocent children should be taught to use numbers—the tool of merchants. There is no telling what the teacher may do next."¹ He took his children out of school. But numbers have come into their own in

¹ Eiichi Kiyooka, *The Autobiography of Yukichi Fukuzawa* (New York: Columbia University Press, 1966), p. 3.

Japan. Your reserved seat on "the fastest train in the world" is now assigned to you by a computer.

C. *The Military Stage.* When the militarists gained control of the governmental process in the 1930's, there was a great change. Military training was compulsory for boys in all schools, and texts in ethics and history stressed fanatic patriotism and the mystique of emperor-worship. The respected Professor Minobe of Tokyo University, whose books were the standard texts in political science, was disgraced for designating the emperor as "an organ of government" and not a god manifest. This phase is so well known that it is scarcely necessary to underline it further.

D. *The Present Stage.* After the defeat of 1945, an entirely new approach to education was adopted and new textbooks were written. The change was initiated by the American occupation authorities, but it was accepted without demur by the Japanese. Democratic rather than authoritarian trends prevailed, and emphasis was directed away from official dogma and toward the training of children to reach their own conclusions and form their own convictions. All courses in morality and ethics were dropped and courses in social science were substituted. United States policy in this respect may have gone beyond the point of wisdom and contributed to the undoubted malaise and uncertainty of postwar Japan. Japan was used to a state orthodoxy, while the United States, with its highly pluralistic society, rejects such a concept. Yet man cannot live by social science alone. Japan has a population as homogeneous as that of Great Britain, where religion is taught in schools. It seems that some course with an acceptable common moral content could have been worked out to give Japanese children some of the guidance to which they were accustomed.

And yet it must be said that the Japanese

authorities, in full control since the Peace Treaty of 1951, have not seen fit to make any change in policy. An official government pamphlet states:

The Law emphasizes the importance of political knowledge and of religious tolerance in the development of sound citizens but it specifically prohibits any link between political parties or religions and education.²

The problem is how to combine moral guidance in the schools with religious freedom—and this is an acute problem for the United States also. Is there any other way than through the character of respected and dedicated teachers—and how do you secure them?

The educational system in present-day Japan is divided into five levels: kindergarten, 1–3 years; elementary school, 6 years; lower secondary, 3 years; upper secondary, 3 years; university, normally 4 years. Education is compulsory for 9 years and free for all children between the ages of 6 and 15 at public elementary and lower secondary schools. Thirty per cent of upper secondary students attend private schools. Out of a total population of 103 million, just over 20 million children were attending schools from kindergarten through the upper secondary schools in May, 1969, while 1,355,000 students were enrolled in the universities. It is claimed that 99.9 per cent of the children in the compulsory age group are registered as attending school. It is also claimed in government publications that education is decentralized and under the control of local boards of education. But the members of these boards are appointed by the head of the local governing authority; the course of study upon which local curricula must be planned is laid down by the Ministry of Education; and textbooks, though selected locally, must be among those authorized by the ministry. Local autonomy is thus somewhat limited.³

Turning to individual subjects in the school curriculum today, it is evident that science and technology are receiving increased attention. English language study is also rising, and the study of other foreign languages is proportionately slightly lower. Young doctors, for instance, no longer have to study

² *The Japan of Today*, compiled by the Ministry of Foreign Affairs, Japan, and published by The International Society for Educational Information (Tokyo, 1970 edition), p. 93.

³ The statistics in this paragraph are drawn from *The Japan of Today*, 1970 edition, pp. 93–4.

German, although this was always the rule in the past. Three to four hours a week for 6 years are devoted to the study of English in school. Young Japanese are very earnest in their efforts to learn this flexible, illogical, intractable language. One law student I spoke to on a visit I made to Japan in January, 1971, confessed to having learned all the contents of a small English dictionary by heart. It seems that the attitude is much the same as it was years ago when eager students were repeating the word "floccinoccinihilipilification," because it was the longest word in the English language—"as everyone knows," they said. After all this study, one may wonder, why is the English of Japanese pamphlets and instructions so consistently poor? Before we smile too easily, we may reflect that American students are not at the stage of knowing the longest Japanese words; they don't know any.⁴ The basic sentence structures of Japanese and English are very different—far more different than the sentence structures of Chinese and English. The sentence structures differ because the formation of ideas assumes an entirely different pattern in the minds of the two races—hence the mutual difficulties of translation in either direction.

At least three national newspapers in Japan publish English-language editions and their readership is certainly Japanese as well as foreign. When I addressed an English-speaking society in Nagasaki recently (they are common all over Japan), I was struck by the variety of background and employment among the 30 or so young men and women attending the meeting. They included a hotel receptionist, a shipyard welder, several economics majors in the university, a librarian and a secretary in the city hall.

I inquired about the teaching of Japanese

history in the schools. It was distorted under the military regime; then it was said to have been minimized after the war. It now seems to be what we would call "normally taught," with due pride but without extreme jingoism, yielding an average knowledge of the subject. History undoubtedly suffers from competition with other subjects in a crowded curriculum; I found that when a medical student guided me around a small temple museum which commemorates the death of the Forty-Seven Ronin (masterless warriors) in the famous Kabuki play, he was as much at sea in identifying the various relics as I was. This situation is due in part to the decline in the knowledge of "kanji," the Japanese written characters originally borrowed from Chinese.

There is no evidence whatever that anything in the present teaching of history is leading to a revival of militarism. Speculation on this topic keeps cropping up in newspapers outside Japan—a kind of expected sensationalism; but it is discounted as a threat in a balanced, well-reasoned United States government report issued since the Yukio Mishima suicide. The main argument of this report is that not only the students but the great majority of the Japanese people who have grown up since World War II just will not let any government in Japan travel far down the road towards the waging of aggressive war. The Japanese public is thinking, more than ever before. It is the greatest newspaper-reading public in the world. There are many more universities (although the competition to get into the better universities is as cruelly severe as ever), and thus there is an output of many more students than before the war, most of them of a liberal cast of mind. For all these reasons the likelihood that a frenetic but small right-wing group will revive militarism is probably minimal.

CONTEMPORARY CULTURE

What about contemporary Japan in the domain of culture? Appliances, major and minor, have marched in and really emancipated Japan's housewives. There is a dreary area of Tokyo known by the romantic name

⁴ But there will be very good jobs awaiting those Americans who do learn Japanese. At present some 65 high schools in the United States are teaching the Japanese language, as against 130 teaching Chinese; but both together form a mere drop in the bucket of the total number of high schools in the country. The wisdom of the United States government's decision to cut federal support for institutes to train teachers of Asian languages must be questioned.

of "Field of Autumn Leaves," where everything is sold cut-rate in booths, stalls and tiny shops. The stalls are not loaded with vegetables or produce but with millions of yen worth of heaters, stoves, hi-fi, tape-recorders, radios and television sets in quantities beyond imagination. I asked some friends in what order of desirability to a Japanese housewife they would place various major appliances, and the answers were: 1. electric or gas stove, 2. refrigerator, 3. washing machine, 4. dryer, and 5. far behind, dishwasher, because Japanese traditional dishes cannot easily be washed in such a machine. For the upper income bracket the second car has been supplanted by a second home in the country as a status symbol.

The new—including dress-styles, Western furniture and many items of food and decoration—has been enthusiastically adopted; but there is evidence that the old in traditional arts continues to flourish at the same time. When I went with friends to the Kabuki theater, it was full. We were fortunate, for the best actors are to be seen at the New Year season. We enjoyed a brilliant situation comedy of merchant life in the early nineteenth century, where the dumb husband has a nagging wife who receives her just deserts. Delightful nuances were brought out by superb acting, and my impression was that Kabuki had declined not a whit from the old days before the war. No, the classic drama, and Bunraku, the puppet plays, still flourish, although No, now as always, appeals only to an intellectual elite. Handcrafts are practiced by fewer individuals, but a high value is placed on the work of great artists. Japan excels in the production of folk-art; and here the same high standard of artistic taste prevails as in the past.

Cinema and television seem to show the same wide range—from excellent to deplorable—that is found in the United States. Kenneth Clark's "Civilization" was running on television while I was in Japan; rousing dramas of samurai warriors are popular; and sex- and violence-oriented imports, along with many good American films, are to be seen in the movie-houses of even small, out-of-

the-way towns. The Japanese-made films of sex and violence seem directed in the main to teenage audiences. Some of these, which promise to be lurid and are daring by older Japanese standards, are presented with a certain degree of taste. Many are just crude. The Western form which, after the cinema and the prevalent rock, seems most accessible to the Japanese is classical music. There are many classical concerts, both live and broadcast, and concert-hall performances are often sold out.

There is a marked generation gap in Japan, as one would expect from what has already been said here; and both young and old are conscious of this gap. An example of it was mentioned spontaneously when a housewife remarked that the young people had much less respect for the Emperor than her generation, in fact they were not really interested in him; but the remark was tolerantly made. It may not be wise for an older stranger to generalize about the attitudes of youth in another country, but my clear impressions, for what they are worth, were that Japanese young people are glad of a release from restraints, that they enthusiastically imitate the technology and the surface manifestations of American culture, but that they are critical of America itself and of the underlying drives of American society as they see them. Their eyes are also open to France, Britain and Germany, countries which represent the modern world unbedevilled by a Security Treaty and problems of the textile trade; yet they do not have with these countries the intimate love-hate relationship they feel for the United States.

The greatest social change in Japan has probably been in the position of women. Schoolgirls are taller and freer. Women have a different look in their eyes. In spite of Japan Air Lines advertisements about the charm of the Orient, only one stewardess at a time on a flight wears a kimono, and she does not have the simpering gait of the old days. (Kimonos are still worn by women and girls of all ages, I am glad to report, especially at festival times.) The new and improved trend in the freedom of women came home to

me in, of all places, a crowded subway. I was in doubt where to change trains and asked a station attendant. A charming, middle-aged woman, elegantly dressed in Western style, said she would show me the way, as she was going in the same direction. We conversed freely, as far as my Japanese language allowed, about those superficial matters common in such a situation anywhere in the world. In only one point did an old Japanese, indeed Asian, trait emerge—she asked my age and volunteered hers. But the fact that a well-bred woman would speak to a strange man at all was an event inconceivable a decade or two ago.

It would be false if I were to convey the impression that the Japanese feel that all is well. There is concern about pollution, a major problem, and a deeper concern about materialism and the inadequacy of merely economic goals. The search for valid goals and values, new or revived from the past, is said to be leading some parents to take their children out of public schools and send them to private ones. Buddhist and Christian schools are often highly regarded and there may be some such tendency; but specific enquiry on this point on my recent trip did not reveal any significant trend of this kind.

In such an article as this, one might expect news of a vast and spectacular change both in educational practice and in cultural trends. This is not my information and such is not my impression of Japan. The Japanese are up-to-date in following fashion, but they are deeply conservative by nature. So they add new elements but do not abandon the old. Of course, compromises have to be made, and some of the old is trimmed away; even the diligent Japanese can only pack so many hours into the curriculum. Some of the old ways may have to be dropped quietly, but they are not usually formally abolished. Since they have never been abolished, those who like the old ways may, and often do, cling to them underneath the new shiny surface of their lives, while the young, who want the new ways (even to the hippie sub-culture) are free to adopt them, within certain limits.

All this is rather like what happened in

Japan at the end of the twelfth century, when the new military government of the Shogun in Kamakura took over from the Emperor and his court in Kyoto. The Shogun appointed new officials and levied new taxes. Men bowed to the inevitable and obeyed. The old offices and taxes were not done away with; all that happened was that gradually fewer and fewer persons respected the one or paid the other. Or, to take a contemporary example, consider the Nihombashi Bridge in the center of Tokyo, the point (Bridge of Japan) from which all mileage on the old roads was measured. It has been overshadowed and overwhelmed by a multi-lane elevated expressway, but it remains intact underneath in daily use as part of the ordinary street network.

There are tensions in modern Japan, between the new ways and the old, between Japan and the United States, between the generations, between technology and tradition. But none of these tensions are serious enough to split this cohesive society down the middle. There is a pragmatism, a tolerance, a capacity to enjoy life and a sense of purpose, all of which seem sufficient to keep Japan stable and progressive. Still, many feel a certain national insecurity, and are searching for new values which will be more permanently satisfying than the present surge of economic effort. The next stage may be both a new inwardness and a new and less selfish internationalism.

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Although "The record of Japan's recent economic growth is, to most economists and probably most Japanese, a thing of joy," this economist points out that thoughtful Japanese today are wondering "whether Japan is about to enter an era of increasing social tensions that emerge out of the single-minded goal of achieving a high rate of economic growth."

Japan's Growth Economy: Joy and Anguish

BY SOLOMON B. LEVINE

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JAPAN'S DAZZLING ECONOMIC growth during the past 15 years has lifted the living standards of the average Japanese almost to the level of his European counterpart. Growth, however, has brought in its wake a host of agonizing social and environmental problems. This article deals with the economic basis of this seemingly contradictory admixture and with speculation about the outcome during the next 15 years, when many predict that Japan will achieve "super-state" status.¹

The record of Japan's recent economic growth is, to most economists and probably most Japanese, a thing of joy. Ranking eighth among the world's national economies in the mid-1950's, by 1969 Japan's Gross National Product had grown to become the third largest, following the United States and the Soviet Union and just ahead of West Germany. Over this period, GNP had risen with few serious pauses, gaining on the average in real terms 10 per cent a year and, in fact, tending to accelerate. (Real annual growth in the late 1960's averaged 13 to 14 per cent.) By any standard of comparison, including

Japan's own previous economic history, this sustained growth rate has been unprecedented for any major country. It has been virtually double that of other national economies for such a lengthy period.

A projection of this record into the future—in fact even accepting an average annual real growth somewhat lower than 10 per cent—is the basis for predicting that Japan's GNP will surpass the U.S.S.R. by 1980 and take first place ahead of the United States by the 1990's. This, of course, assumes that the Russians and the Americans will not experience any major sustained acceleration of their own recent growth rates. If Japan succeeds in meeting the projection, the average annual per capita income of the Japanese, \$1,336 in fiscal 1969 and only fifteenth or sixteenth in the world, will also be first by the turn of the next century. Such a glowing prospect rests on the continuing presence of certain major political, social and economic factors that have characterized Japan's growth process.

Several key elements help to explain Japan's enormous success in sustaining her seemingly inexhaustible high economic growth rate. They are related both to domestic and foreign conditions, although the analysis here deals almost exclusively with the former.² Chief

¹ See Herman Kahn, *The Emerging Japanese Superstate: Challenge and Response* (Englewood Cliffs, N.J.: Prentice-Hall, 1970).

² For international and foreign trade aspects, see the article in this issue by Koji Taira.

among them are (1) Japan's long-term historical achievement, (2) the proclivity of the Japanese populace to forego consumption and engage in relatively large savings and (3) an unusually high degree of articulation and cooperation between government and major private enterprise organized for national economic growth. The first two may be summarized briefly. The third is the most intriguing element and requires explanation in some depth.

A high rate of economic growth is not new to modern Japan, although the recent sustained experience far surpasses any previous record. From the outset of the Meiji Restoration, Japan has had a growth-prone economy. (In fact, evidence suggests that the long-run growth process was already well under way in the century prior to 1868.³) While the first 20 to 30 years of the modern period were an era of hesitation, trial and error and internal conflict over national goals, by the beginning of the 20th century Japanese economic growth had clearly "taken off" at a speed excelling any Western experience.⁴ Despite some serious cyclical instabilities, this outburst continued to the Second World War, which ended with 70 per cent of Japanese industry in ruins and the Japanese economy in a state of chaos. Yet, stimulated especially by the Korean War, Japan's economy recovered to its previous highest level in the early 1950's. The recent economic growth, at least in a statistical sense, brought Japan back to the trend line of expansion that would have taken place had there not been the destruction and collapse resulting from World War II and its immediate aftermath. In other words, despite the crippling effects of Japan's military misadventurism, Japanese resources—mainly a highly skilled and well educated workforce, including a liberal endowment of managerial

and technical talents—were readily mobilizable for a resumption and expansion of modern economic growth. If Japan's present prospects for a "super economy" are not realized, the failure will probably lie in an inability to extend these human resources sufficiently.

Japan's long-term economic growth, which in 50 years witnessed the conversion of a traditional agrarian society to a modernized industrial nation, was remarkable for the ever present shortage of capital for investment. Since foreign borrowing played only a small role in Japan's economic development, investment depended upon the cultivation of strong habits of thrift, frugality and savings throughout the population. The rate of savings as a percentage of GNP has long been relatively high in Japan, but the propensity to save has been truly amazing in the past two decades.

In the early 1950's, it had already reached close to 25 per cent of GNP despite still austere living standards and shortages of consumer goods. The rate rose steadily to more than 35 per cent of GNP, an astonishing proportion for any country. As incomes rose, the increments increasingly went into savings, reflecting the long established national habit of holding consumption down as long as capital needs were unmet. By international comparison, personal consumption in Japan absorbs a low ratio of GNP. Currently, it is running about 52 per cent, while most developed nations are in the range between 55 and 65 per cent (the United States ratio is about 60 per cent). Similarly, general government consumption is comparatively low—8 to 9 per cent in Japan compared to more than 23 per cent in the United States and about 15 per cent in most West European nations.

It is not clear whether the high ratio of savings among the Japanese is largely voluntary or "forced." Continuing sharp inflation throughout the 1960's, advancing six to eight per cent a year in consumer prices, no doubt has reduced real consumption levels. Furthermore, the reluctance of the banking system to extend consumer credit requires the Japanese to save in advance for major purchases. When installment purchases are

³ Sydney Crawcour, "The Tokugawa Heritage," in W. W. Lockwood (ed.), *The State and Economic Enterprise in Japan* (Princeton: Princeton University Press, 1965), pp. 17-44.

⁴ Kazuo Ohkawa and Henry Rosovsky, "A Century of Japanese Economic Growth," in Lockwood, *op. cit.*, pp. 47-92. See also James I. Nakamura, "Growth of Japanese Agriculture, 1875-1920," in the same volume, pp. 249-324.

allowed, large down payments must usually be made.

A major institutionalized mechanism to accomplish much of this saving is the widespread, almost universal, system of bonus wage and salary payments. Large bonuses are usually paid employees twice a year (at mid-year and year's end), often amounting to as much as one-third or more of the employee's regular annual earnings. Originally going back to pre-World War II, the "seasonal" bonus was a paternalistic fringe benefit provided by the employer to loyal and productive workers. During the immediate post-war period, the surge of trade unionism established through collective bargaining the practice of bonus payments as a matter of worker rights in employment. The rampant inflation at that time encouraged bonus wages to help employees keep abreast of spiraling consumer prices. Although this reason essentially disappeared with the disinflation and economic stabilization about 1950, the bonus has remained an important element in union-management collective bargaining practice.

Wage and salary earners tend, in line with the traditional Japanese habit of thrift, to set their bonus earnings aside, especially because the bargaining results are somewhat unpredictable. Instead, they usually attempt to manage daily living only on their regular pay, which in most cases is fixed on a monthly basis. With an increasing proportion of Japan's labor force in the category of wage and salary employees, bonus earnings have also spread wider and wider, thus broadening the base for this type of savings. One would surmise that, were Japanese collective bargaining and employment practices changed to incorporate the bonuses in regular wage and salary payments, Japan's high savings ratio might precipitously decline. The bonus system leads to a deferment of major purchases. It also provides an important cushion for savings for retirement and old age, because Japanese industry does not have a well-developed pension system, retirement from

regular jobs usually is set at 55 years of age, and social security benefits are relatively low.

GOVERNMENT-BUSINESS ALLIANCE

The close alliance of government and big business in Japan has assured the flow of most savings into manufacturing of high productivity. Since the early 1960's, gross domestic capital formation in Japan has been between 33 and 40 per cent of GNP, the total investment growing at a rate of close to 20 per cent a year. At least three-quarters has gone into private investment, which has tended to rise somewhat faster than government investment (about which more will be said later). As Kozo Yamamura has pointed out, the overriding thrust of investment activity has been in production facilities — plant, equipment, machinery — with the almost single-minded objective of increasing the output of goods as against social improvements or welfare.⁵ "Supremacy of production," as it was labelled in a National Livelihood White Paper, was the outcome of a tightly controlled mechanism for channeling investment funds. These mechanisms carefully assured capital supplies for high-return, high-productivity and technologically sophisticated industrial enterprises. They also brought about a steady shift of the trained and trainable labor force from less to more productive occupations and industries.

As has long been the case in Japan's drive for modernization, the central government has taken the leadership in this process. Ready partners are the few thousand giant conglomerate enterprises, mostly descendants of the prewar Zaibatsu, that comprise Japan's modern industrial sector. The close alliance between the government and big business—dubbed "Japan, Inc."—permeates the Japanese economy, because it also calls the investment tune for most of the five million farms and three to four million small and medium-sized firms and shops that make up the remainder of the economic structure.

More specifically, a limited set of government agencies and key banks in the finance sector exercise "guidance," if not outright control, over the flow of the investment funds.

⁵ Kozo Yamamura, *Economic Policy in Postwar Japan* (Los Angeles: University of California Press, 1967).

It is difficult to say that any single small group or oligarchical organization accomplishes this, for the mechanism is complex and rests on a high degree of consensus among the participants in the process.

The key governmental agency is the Ministry of International Trade and Industry (MITI), although important investment functions are performed by other ministries, such as Finance and Transportation. MITI's activities, based on both legal and extra-legal sanctions, explicitly direct the attention of businesses to opportunities for industrial expansion, regulate the degree of competition among Japanese firms, and protect Japanese industries against foreign competition. MITI grants technical licensing agreements, import licenses and foreign currency allocation. It determines the need for mergers and cartels (despite protestation from the Fair Trade Commission, set up during the occupation period to enforce Japan's Anti-Monopoly Law). In sum, MITI's main purpose is to seek the creation and maintenance of "optimum" sized firms in the private sector which will utilize the most productive and advanced technology available. At the same time, MITI seeks to maintain "balance" among the large enterprises, so that they are all advancing together in an overall growth pattern. This coordinative approach is highly acceptable to the leading business firms, since it serves to keep them in the same relative position with one another, thus eliminating "cut-throat" competition. Not uncommon is MITI's practice, for example, of withholding permission for one major firm to acquire a foreign license to utilize an advanced technological change until the other large firms in the same production field can adopt the same or similar innovations and share proportionally in the market.

On the other hand, the government appears to "leave business alone." There is little direct interference in the operations of a company. Intervention is far more subtle, in the area of setting the framework in which private enterprise carries out its productive activities. By closely consulting with the representative federations of big enterprises, particularly

Keidanren (The Federation of Economic Organizations), which combines the important industrial and trade associations of Japan, MITI and other government agencies clarify or modify policies and decisions that help to bring big business and government objectives into close conformity from the outset. About 300 committees of business executives and government officials are in rather constant consultation. There appears to be little resentment by private enterprise management toward the role of the government in this process. In all likelihood, any serious conflicts between business leadership and the government agencies are resolved through the daily on-going contacts, formal and informal, that weld the two groups together. It should be noted, of course, that the alliance is enhanced by common sociological and political ties. The leaders are usually alumni of the same few elitist universities. They tend to socialize with one another and share the same ideological views. It has also become a widespread practice for retiring government bureaucrats to join big business enterprises as consultants or executives.

A CONGLOMERATE STRUCTURE

Within this consensual context, the large firm finds considerable encouragement to adopt innovations and diversify production. This is partly due to the drive to maintain one's relative position in an industry and partly due to the conglomerate structure of big business itself. Typically, the large firm is a member of a group of related firms, spread across a diverse set of industries and trades. At the center of this cluster is a key commercial bank which gives first priority to the investment and credit needs of the "member" firms. While these groupings are not so tightly structured legally and organizationally as the prewar *Zaibatsu*, they are clearly their descendants—they engage in a high degree of interchange and collaboration and build their interests into a mutually interdependent network.

One of the most interesting results is the extensive use of short-term bank loans to finance long-term capital investment in the

large firms, an almost unheard of practice in the United States. Some companies rely on this credit for as much as 90 per cent of their fixed capital, so that it is not necessary for them to seek much of their investment funds for expansion from the stock market or retained corporate earnings. The key commercial banks are willing to permit this practice, since the funds are concentrated in a limited set of growth enterprises whose expansion the government has already guaranteed to achieve the high rate of economic advance for the nation as a whole. Backed by the Bank of Japan as the central bank in the financial system, the key commercial banks, moreover, themselves play a significant role in guiding and at times managing the operations of their respective enterprise clusters.

Since this financial system serves to funnel investment into the high growth firms, the thousands of small and medium sized firms, which employ almost two-thirds of the industrial labor force, are disadvantaged in obtaining credit. As a result, they are essentially forced into dependency, usually as subcontractors and sub-subcontractors, upon the favored large enterprises. A cluster of *Zaibatsu*-successor giant companies in effect is surrounded by hundreds of small enterprises which serve as a buffer against economic downturns. The small firms, unable to secure guaranteed survival, are therefore extremely pressed to increase their productivity through their own resources or help from their "patron" companies.

One outcome of this industrial structure is a tendency for Japanese manufacturing plants to build more production capacity than current market demand can absorb.⁶ The chief motivation is to keep on growing regardless of business conditions at home or abroad, especially since a large enterprise can rest reasonably assured that its relative position will remain about the same with regard to all large enterprises. Overcapacity, moreover, tends to impel large company managements to plan ahead for long-term growth of

production, and may help to explain the aggressiveness of Japanese business in seeking foreign markets and driving hard bargains.

Even the casual visitor to Tokyo cannot help but observe the near frenzy of the Japanese (in their daily economic activity) that arises from this preoccupation with output. Growth for growth's sake appears to have permeated the society and earned some Japanese the unflavorable reputation of "economic animals." Only recently has there developed a growing ground swell in Japanese public opinion holding that "living" has taken a weak second place to "production."

BOTTLENECKS IN JAPAN'S GROWTH

There are nagging doubts in various quarters that Japan will be able to sustain a "production first" policy. As growth has proceeded, Japanese managerial capability has been increasingly taxed for its ingenuity in transferring resources from less to more productive output and concentrating them in high growth manufacturing. In the past 20 years, Japanese industry has been "catching up" with advanced Western industrial technology and production methods, a process which now appears to be "playing out." Having built up a highly complex apparatus for heavy and chemical industries, Japan is faced with the increasing need to maintain and advance very sophisticated plants and equipment at the same time that flexibility in the use of industrial resources is becoming more difficult to achieve. Especially because industry is increasingly dependent upon critical imports of raw materials, it is feared that the government will be called upon to exercise even greater guidance and control than it now does through fiscal, monetary, and direct policies. Such a development could upset the close alliance between big business and government should government tighten its hammerlock on private enterprise operations. The recent resistance of the major textile firms against government attempts to increase "voluntary" export quotas to the United States is an example of the tension that might develop within the government-industry leadership itself.

⁶ Leon Hollerman, "Recent Difficulties in Japan's Economic Development," *Banca Nazionale del Lavoro Quarterly Review*, No. 88, March, 1969, pp. 3-27.

The spectre of increased government control (with all its prewar connotations) basically derives from new "bottlenecks" that have recently emerged in the Japanese economy. Paradoxically, while in the historical past the chief bottleneck to growth lay in scarcity of capital, now in addition Japan has the problem of scarce manpower supplies, which until the 1960's (except during World War I and II) were usually considered plentiful. This problem is receiving the increasing attention of government planners. Schemes for manpower development, however, are more likely to upset economic, social and political patterns than to shake the highly structured capital allocation mechanisms which have been established.

To give a picture of the manpower bottleneck, first it should be noted that Japan's population and labor force growth has tapered off. A high birth rate shortly after World War II (and sizable repatriation from overseas) and lengthening of the life span accounted for the growth of Japan's population from 72 million in 1945 to 104 million in 1970, with very sharp rates of increase in the early years falling back and leveling off by the mid-1950's at the rate of only about one per cent a year. This has meant, however, a relatively young population in terms of demographic distribution by age. Although Japan's population can be expected to rise as much as a million a year for the next 15 years, the labor force will be increasingly dominated by middle and older aged workers. It is feared that such a labor force will be less adaptable to the rapid technological and organizational change required by high economic and industrial growth than the younger labor force of the recent past. This fear lay behind recent government reports of the need to increase Japanese birth rates—in contrast to the "population explosion" fears expressed almost everywhere else.⁷

The shift of labor from low to high productivity sectors during the past 15 years de-

pended in large measure on the labor force growth that took place. From 1953 to 1962, Japan's total labor force grew by 6.2 million persons, or more than 15 per cent. Since 1962, it has grown by almost the same number, but this represents only a 13 per cent increase. The decline has been due not only to the falling birth rate that set in after 1948 but also to the large proportion of young people going on to more schooling.

Workers have been needed largely as wage and salary earners in the employ of others. By the early 1960's, for the first time in Japanese history, employees—in contrast to self-employed and unpaid family workers—comprised a majority of the non-agricultural labor force. The proportion has continued to grow with Japan's increasing emphasis on manufacturing. The increase in the labor force has gone almost entirely into wage and salary employment since the early 1950's.

When it was apparent that the influx of young people could no longer meet the manpower needs of industry (the shortage became highly visible by 1960), a rapid contraction of the labor force in agriculture began. Whereas 45 per cent of Japan's population of 85 million in 1950 were farm dwellers, by 1970 this number had dropped to about 26 million or 25 per cent of the current population. The agricultural labor force has been cut almost in half since 1950, to 10 million at present, leaving Japan's five million farms to be tended mainly by old men and women and housewives. It is now generally recognized that additional shifts from agriculture to industry are likely to be marginal. In fact, unless Japan is able to make further phenomenal gains in agricultural productivity (or turns increasingly to food imports), there may be a need to increase inducements for workers to return to or remain on the farms, especially since full-time farming by farm families has been declining.

Other "unconventional" sources for manpower supplies are also near exhaustion. As firms competed with one another for increasingly scarce new school graduates (who have had a choice on the average of five to six job offers upon graduation), starting wage

⁷ F. Roy Lockheimer, "Japan's New Population Politics," *American Universities Field Staff Reports*, East Asia Series, Vol. XVII, No. 5 (March, 1970).

rates for the new young workers shot up rapidly. Small and medium sized firms, unable to keep up with the large firms in attracting the young, turned to low-wage older and retired workers and housewife employees, often on a part-time basis. By the end of the 1960's, for example, more than half of the Japanese women who were potential labor market participants had found some form of employment. This proportion of Japan's female labor, accounting for 40 per cent of the total labor force, surpasses the United States and Great Britain, and is probably now at its practical limit.

Moreover, it is likely that in the next 10 years Japan's labor force, at present about 53 million, will not grow by more than another 3 million—in sharp contrast to the 1950's and 1960's. This means that Japan's ability to continue to grow by something close to 10 per cent a year in real terms must depend primarily upon industrial reorganization and restructuring and upon indigenous technological change to shift and save scarce labor.

REORGANIZATION AND TECHNOLOGICAL CHANGE

If growth through manufacturing is to remain Japan's predominant economic theme in the decade or two ahead, it may be expected that there will be increasing mergers and recombinations of the large enterprises and their absorption of small and medium firms. No doubt this will be a trying process, for in the effort to meet the manpower bottleneck now facing the Japanese economy, there will be a multiplication of conflicts of interest which may not be as readily resolved as they have been in the congenial alliance of big business and government. Much will depend upon the distribution of the gains from growth between the large and small enterprises and between management and labor.

One of the difficult sociological problems to overcome in this process will be the accommodation of highly separate managerial organizations with one another. It has been frequently observed that a major characteristic of Japanese industry for many decades

has been the tight compartmentalization of each enterprise. Not only do firms tend to isolate themselves from one another, especially with a minimal amount of labor mobility from one large enterprise to another, but each firm has also tended to develop its own internal workforce hierarchies based notably on length of service in the firm. In fact, labor unions in Japan—which today embrace more than 11 million workers, concentrated in the large companies—have been built almost entirely on this compartmentalization, and their existence as strong autonomous organizations has depended paradoxically on maintaining close identification with their respective enterprises (thus, 90 per cent of Japan's 50,000 or more unions are organized on an enterprise basis rather than by craft or occupation, region, or industry).

It may be expected that labor-management conflict will increase with the industrial restructuring that the manpower shortage appears to call for. Even though the Japanese labor movement has long suffered from ideological splits so that unions have rarely been unified either for economic or for political purposes, redoubled efforts to achieve unification now seem to be under way, particularly among the unions in the private enterprise sector. No doubt a major motivating force derives from the likely change ahead in the very structure of the Japanese economy.

Japan's success in restructuring her economy will depend in good measure on technological research and development and manpower training for new technologies. Again, these are not easily accomplished within a framework of tightly knit compartment-

(Continued on page 243)

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"It may not be an exaggeration to say that with that characteristic decisiveness demonstrated at several historic moments in her past, Japan smashed into the sanctuary of the advanced countries during the 1960's." Evaluating Japanese trade and aid, this specialist warns of the "soft-line imperialism of 'economic aid' . . . the basic problem in the relationship between developed and less developed countries today. . . ."

Japan's Economic Relations with Asia

BY KOJI TAIRA

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ONCE AGAIN JAPAN has risen as an ominous star over Asia.* When Japan last orbited into Asia the result was the Great East Asian War which ended in 1945. After Japan's unconditional surrender to the Allies, and far-reaching reforms under the benevolent autocracy of the Allied Forces occupying Japan, the Japanese rallied behind one objective: economic recovery and growth. What has since happened to the Japanese economy is well-known.

The temper of the Japanese has also changed. For more than ten years after 1945, the Japanese were skeptical about the future of their country; after all, what had taken place was only recovery, first in total national output and then in per capita income, to the prewar normal level. Recovery in Japan's international trade was particularly poor. The quantum of exports did not rise to the prewar level until 1959. In terms of Japan's share in world trade or of the share of trade in Japan's national income, the recovery of

Japan's international trade had to await the 1960's.¹ But recovery in these terms did come, and by the middle of the 1960's, Japan had gained the status of an advanced nation. Today, in contrast to her earlier skepticism and timidity, Japan exudes optimism and pride, and gives strong indications of her readiness to play an increasingly active role in Asia and the world.

After a series of quantitative tests to measure Japan's development status, Leon Hollerman concludes: "Japan is a country at the head of the list according to some criteria of the degree of economic development, and at the bottom of the list according to others. In terms of half the absolute criteria of backwardness, . . . Japan was still backward as of 1961."² Hollerman also notes that "Japan is backward as measured by the key criterion of per capita national income."³ Appropriate to her ambiguous status on the scale of development, Japan enjoyed the privileges of poorer countries for the protection of domestic industries against foreign competition and for foreign exchange controls for the balance-of-payments reasons. In return, during the 1950's Japan was generally shy about international trade and took advantage of foreign markets when domestic demand slackened, returning to the practice of selling at home when economic conditions

* I am grateful to Mr. Shuji Tamura and Mr. Eng Fong Pang for research assistance and for their advice on issues discussed in this article. I alone am responsible, however, for opinions expressed in this article and possible errors still remaining in it.

¹ G. C. Allen, *Japan's Economic Expansion* (New York: Oxford University Press, 1965), Chapter 12.

² Leon Hollerman, *Japan's Dependence on the World Economy* (Princeton, N.J.: Princeton University Press, 1967), p. 49.

³ *Ibid.*, p. 5.

improved. According to the official terminology of the Japanese government, Japan was a "marginal supplier" to the world markets, using them as a flexible buffer for maintaining sales in the face of fluctuating domestic demand.⁴

Nevertheless, there was considerable economic growth during the 1950's, although data suggest that "Japanese industry in the postwar period has become less, rather than more, export-oriented."⁵ Understandably, the ratio of exports or imports to Japan's Gross National Product was low, around 10 per cent, compared with well over 20 per cent during the 1930's. During this period of underdevelopment, Japan made efforts to hold down imports by import substitution and import-saving techniques. She was intent on producing at home almost any product other countries were able to produce. This pushed her into an industrial structure that violated the criteria of comparative advantage and division of labor among nations. The relatively high proportion of heavy industries in Japan during this period led many to observe that Japan was being "over-industrialized."⁶ On the other hand, since the expansion of exports was only "marginal," imports were increasingly used for production for domestic sales leading to periodic balance-of-payments difficulties. Under these circumstances, there was a strong incentive for import-saving techniques.⁷

The changes in the geographical distribution of Japan's international trade during the 1950's suggest that Japan turned her back on Asia's less developed countries (LDC's) and increasingly depended upon the more developed countries (MDC's) of the West,

especially the United States and Canada.⁸ Asia, which took more than one-half of Japan's exports before the war, was taking only one-third of them in 1960. In a sense, this trade pattern reflected the ambiguity of Japan's development status as well as Japan's own preferences about industrial structure and trade partners. She was playing her status-role by sending consumption-oriented light manufactures to the developed countries. On the other hand, vis-à-vis the LDC's, Japan was posing as an MDC by exchanging her relatively capital-intensive manufactures for primary products. Japan's trade with the United States was unbalanced in favor of the United States, while Japan's trade with East and Southeast Asia was unbalanced in favor of Japan. This situation created an image of Japan dependent on the United States but dominant over East and Southeast Asia. For her own mental health, Japan had to get out of the unsatisfactory relationship of dependence with the United States. In the popular outlook, if Japan could turn the scale of trade balances with the United States in Japan's favor, then Japan could modestly claim to be a developed country.

DRIVE TOWARD AN MDC STATUS

The Japanese have always been unusually conscious of the status structure of nations. During the 1950's, nothing annoyed the Japanese more than Japan's LDC status. The Japanese then tended to perceive of Japan's international standing in terms of per capita national income and endlessly lamented Japan's lowly position on that scale. Around 1960, however, the Japanese abruptly rediscovered a scale which would rate Japan considerably more favorably than per capita national income. It was GNP in the aggregate. By this measure, even as early as 1950—although the Japanese paid no attention to it then—Japan would have been placed comfortably among the top 10 in the "Free World."

The psychic value of GNP mysteriously increased in the 1960's. In 1960, for example, Japan was the fifth largest producer of GNP, preceded by France, Britain, West Germany

⁴ Allen, *op. cit.*, p. 247.

⁵ Hollerman, *op. cit.*, p. 45.

⁶ Seymour Broadbridge, *Industrial Dualism in Japan* (Chicago: Aldine Publishing Co., 1966), Chapter 2.

⁷ Hisao Kanamori, "Economic Growth and the Balance of Payments," in Ryutaro Komiya, ed., *Postwar Economic Growth in Japan* (Berkeley and Los Angeles: University of California Press, 1966), Chapter 4.

⁸ Hollerman, *op. cit.*, pp. 95-110. See also Kiyoshi Kojima, "A Pacific Economic Community and Asian Developing Countries," *Hitotsubashi Journal of Economics*, Vol. 7 (June, 1966), pp. 17-37.

and the United States (in ascending order). At the same time, the practice of reclassifying Japan as a developed country sporadically appeared in publications at home and abroad. By 1965, a new expression had begun to circulate; i.e., Japan now was "an economically big country" (*keizai taikoku*). The phrase was vague and unconventional. It did not mean as yet that Japan was "developed," "rich" or "powerful." But for some reasons or other, the expression had a tremendous ego-boosting effect on the Japanese. Among foreigners whose opinions of Japan are always highly regarded by the Japanese, it was none other than Edwin O. Reischauer, former Ambassador to Japan, who proclaimed with disarming clarity that "Japan is one of the biggest countries in the world."⁹ As the 1960's wore on, bigness became a positive value in Japanese outlook and in all aspects of Japanese life.¹⁰

However, the honor of big-power status was not to be enjoyed without cost. It was accompanied by costly obligations. There were to be no more exceptions to the International Monetary Fund's (I.M.F.) Article 8 banning exchange controls in relation to current transactions or to the General Agreement on Tariffs and Trade's (GATT) Article 11 banning quantitative restrictions on imports and certain measures of stimulating exports. Japan was a member of the "Richman's Club" Organization for Economic Cooperation and Development (O.E.C.D.), pledged to make a quick transition to free trade and to participate in the Development Assistance Committee (D.A.C.), putting up at least one per cent of GNP for economic aid to LDC's. Japan had to agree to preferential arrangements for imports from LDC's within the framework of the United Nations Conference on Trade and Development (U.N.C.T.A.D.). Not only did Japan take on these obligations, she also showed some

initiative in her quest for bigness. Thus she undertook to host the Olympics of 1964 and EXPO '70 and vied with the United States for an equal share in the funding of the Asian Development Bank. Japan also played a prominent role in the creation of the annual Southeast Asian Ministerial Conferences on Economic Development. It may not be an exaggeration to say that with that characteristic decisiveness demonstrated at several historic moments in her past, Japan smashed into the sanctuary of the advanced countries during the 1960's.

Japan's bid for a big-power status was supported by her spectacular economic growth during the 1960's. The decade opened with Premier Hayato Ikeda's "Income Doubling Plan," which quickly became obsolete because of big margins of over-fulfillment during the first few years. Japan's growth rate recorded its recent peak at a whopping 14.3 per cent in 1968 and, at the present moment (February, 1971), the Japanese economy is going through a process of adjustment which started in the fourth quarter of 1970 with the rate of growth going down below 10 per cent. In the latter part of 1971, there will be economic expansion, some predict, to average out the growth rates at slightly more than 11 per cent per annum, which is roughly equal to the average annual growth rate over the past decade. During the spell of expansion during the 1960's, many new structural characteristics appeared in Japan, indicating that the Japanese economy may indeed have arrived at a stage unmistakably "advanced."

No longer is Japan a "marginal supplier" to the world market. She has become an important and steady supplier with an increasing share in world exports. In contrast to the frequent balance-of-payments crises in the 1950's and early 1960's, for the last four or five years Japan has been accumulating her foreign exchange reserve at a rate that is rather embarrassing to Japan. To both the satisfaction and annoyance of the Japanese, trade balances with the United States have finally turned in Japan's favor. In addition to a nearly full liberalization of imports, Japan now is forced into capital exports to

⁹ Edwin O. Reischauer, *Japan is One of the Biggest Countries in the World* (Washington, D.C.: U.S.-Japan Trade Council, 1966).

¹⁰ For how this is reflected in business behavior, see Robert S. Ozaki, "Japanese Views on Industrial Organization," *Asian Survey*, Vol. 10 (October, 1970), pp. 872-889.

hold down the accumulation of foreign exchange reserves.

Japan's pattern of specialization also changed during the 1960's. In 1961, the share of the products of heavy and chemical industries in Japan's exports was 47 per cent. In 1968, it rose to 69 per cent, higher than that of the United States (61 per cent), though lower than that of West Germany (76 per cent). Japan's textile exports, which today receive far more attention than they deserve, actually stagnated not only relative to Japan's other exports but also relative to the textile exports of other O.E.C.D. countries.¹¹ The relationship between changes in productivity and changes in exports by industry, which was not very tight during the 1950's, as attested by Leon Hollerman, became substantially positive during 1961-1968.¹² It is in the "growth industries" of the decade like metal products, machinery, instruments and chemicals that the proportion of products exported increased more rapidly. No longer is Japan engaged in inefficient import substitution sheltered from foreign competition as she was in the 1950's. On the contrary, today Japanese industries are wide open to foreign competition at all levels. Japan's share in world trade recorded 6.6 per cent for exports and 5.8 per cent for imports in 1969, moving Japan into the position of the fourth largest trading nation in the world, topped only by Great Britain, West Germany and the United States (in ascending order).¹³ Japan's GNP surpassed West Germany's in 1968 and Japan has become the second largest country in GNP in the free world, topped only by the United States on that score. Japan's GNP is now larger than the sum of GNP's of all the Asian countries except Communist China, ranging from Korea and going across East Asia, Southeast Asia and South Asia, including large countries like India and

Pakistan, and through the Middle East, to Lebanon.

TRADE, AID, AND IMPERIALISM

During the 1960's, there were healthy shifts in the geographical distribution of Japan's trade. The breakdown of Japan's exports by country in 1960 was 47.6 per cent to developed, 50.6 per cent to less developed, and 1.8 per cent to Communist countries. In 1969, the distribution was 52.1 per cent to developed, 43.1 per cent to less developed, and 4.8 per cent to Communist countries.¹⁴ Among developed countries, the United States remains the largest customer for Japanese exports. Among LDC's, those in East and Southeast Asia are most prominent. The increase in the MDC share in Japan's exports may in part be explained by the faster economic expansion in these countries than in LDC's. The breakdown of Japan's imports by country showed shifts in favor of LDC's during the 1960's. It was previously remarked that Japan during the 1950's turned away from LDC's. In 1960, for example, Japan depended on MDC's for 61.1 per cent of her imports, supplemented by 36.1 per cent from LDC's and 2.8 per cent from Communist countries.¹⁵ This, taken together with the breakdown of Japan's exports by country, was decidedly unfavorable to LDC's. In 1969, however, the picture was much better: 52.7 per cent from developed, 41.7 per cent from less developed, and 5.6 per cent from Communist countries. The geographical distribution of Japan's imports had become more compatible with that of Japan's exports.

This overall picture, however, contained one undesirable relationship: i.e., the chronic trade deficits of LDC's in East and Southeast Asia with respect to Japan. In 1969, 27.8 per cent of Japan's exports went to these countries, while Japan's imports from them were 15.8 per cent of the total. Looked at differently, the relationship between Japan and Asian LDC's indicates that Japan was buying only 14.6 per cent of their exports but selling to them what amounted to 23.2 per cent of their total imports.¹⁶ It is not necessary that trade should balance for every country or for

¹¹ Ministry of International Trade and Industry, *Tsusho hakusho 1970* (White Paper on International Trade), p. 140.

¹² *Ibid.*, p. 159.

¹³ *Ibid.*, p. 37.

¹⁴ *Ibid.*, p. 282.

¹⁵ *Ibid.*, p. 288.

¹⁶ *Ibid.*, pp. 283-287.

every region. But one cannot help feeling that Japan is gaining rather too much from her trade with Asian LDC's. In fact, these trade imbalances have been sources of diplomatic friction between Japan and Asian LDC's. One would not be surprised to find some of the nationals of these countries pointing an accusing finger at Japan, the "Colossus of the North" in the Asian context.

However, Japan's net gains from her Asian trade are only one aspect of her overall economic relations with the world. For several years now, Japan has been a net exporter, with export surpluses averaging more than \$2,300 million per annum. This has created a number of delicate problems for Japan. No sooner had Japan's competitive strength been demonstrated than charges that the *yen* might be unjustly undervalued were heard all over the world. The demand for an acceleration in import liberalization and tariff elimination became stronger. There was also intensified pressure for a quick accession to the requirement of one per cent of GNP for economic aid to LDC's.

To her credit, Japan has responded to these demands with a high degree of sensitivity. Japan's trade liberalization is now nearly complete (94 per cent even as of April, 1970), while she has been keeping her pace for tariff reductions to the schedules of the Kennedy Round. Japan's economic aid has been increasing rapidly both as an absolute sum and relative to her GNP (0.76 per cent in 1969, almost equal to the average for all the DAC countries) and is envisaged to rise fully to one per cent by 1975. In 1968, Japan's aid was the fourth largest among the DAC countries, exceeded only by West Germany, France and the United States (in ascending order).¹⁷

Since Japan's GNP is now the second largest in the free world and increasing twice as fast as that of other MDC's, Japan's aid

maintained at a given fraction of her GNP would result in a transfer of resources to LDC's at a rate three times as fast as the historical rate of economic growth in these countries. However, resource inflows into any economy at rates exceeding its absorptive capacity are mixed blessings. A cross-country study of relationships between economic growth and foreign aid suggests no evidence that aid stimulates growth.¹⁸ MDC's today produce three-fourths of the free world's GNP, so that one per cent of MDC-GNP means 3 per cent of LDC-GNP which in turn would mean a large fraction of LDC export capability, anywhere from 10 per cent to 40 per cent. Since so-called "economic aid" is largely a repayable debt, the larger the "aid," the greater the debts owed by LDC's to MDC's. "Economic aid" is a mechanism that binds LDC's to MDC's in a chronic bond of indebtedness and dependence.

Straight grants with no strings attached (so that there is no obligation to repay) are rare in "economic aid." Even the bilateral grants with strings attached are only one-quarter of the total "economic aid" of the DAC countries. Japan's proportion is even lower than this average (one-tenth of Japan's "economic aid" in 1968). Government loans and export credit on varying terms of amortization were more than 70 per cent of Japan's "economic aid" (as against less than 40 per cent for all of the DAC countries) in 1968. Another major item in the accounts of "economic aid" is private investment and loans including direct investment, which in 1968 amounted to 12 per cent of Japan's and 32 per cent of DAC countries' "economic aid." One more item completes the accounts of "economic aid": the subscription to international agencies and institutions engaged in supplying credit and loans to LDC's. This portion of "economic aid" is uniformly small in all DAC countries.¹⁹

From the above description of what constitutes "economic aid," it is clear that the resource transfer from MDC's to LDC's under "economic aid" is no different from capital export, the economic vehicle of imperialism in prewar days. To avoid emo-

¹⁷ Economic Planning Agency, *Keizai hakusho 1970* (Economic White Paper), p. 136.

¹⁸ K. B. Griffin and J. L. Enos, "Foreign Assistance: Objectives and Consequences," *Economic Development and Cultural Change*, Vol. 18 (April, 1970), pp. 313-327.

¹⁹ Economic Planning Agency, *op. cit.*, p. 136.

tional tangles, one may functionally define imperialism as a paternalistic relationship between a specified MDC and a specified LDC that involves substantial non-commodity transactions in addition to, or in the absence of, commodity trade of the type celebrated in the economic theory of international trade (with its *raison d'être* in comparative advantage and mutual benefit). Usually, these non-commodity transactions show definite patterns. They include, among other things, imports by the LDC of capital, technology, management and other intangibles like services for defense, diplomacy, administration or law enforcement. When an LDC substitutes, or is forced to substitute, imported administration for its own traditional administration, the result is old-fashioned colonialism. Today, there is no guarantee that although straightforward colonialism is gone, "economic aid" may not eventually lead to a similar result through the LDC's dependence on technical assistance, project evaluation, planning counsel, debt management and so on, supplied by agents from MDC's permanently stationed in LDC's.

In the light of these untoward consequences of "economic aid," the posture of some MDC's as "donors of aid" adds insult to injury already suffered by LDC's. One would not suppose that the instalment credit obtained from a department store is an "aid." Yet there are those who succumb to clever sales techniques and actually consider the credit a great favor. Indeed, "economic aid" between the MDC's and the LDC's reflects much of the life style that characterizes the stage of high mass consumption reached by MDC's—a bundle of vague checks and controls by demonstration effect, "psyching out," status competition, flimsy sentimentality, and general verbal confusion, all of which hide the stark reality of LDC dependence on MDC's through the soft-line imperialism of "economic aid." This, therefore, is the basic problem in the relationship between developed and less developed countries today; i.e., the fate of LDC's is only a fragile appendage of the economic, political and socio-cultural processes evolving in MDC's with no regard

to LDC interests and without reciprocal feedbacks from LDC development. The only choice left to LDC's is to "westernize" themselves. This is annoying to LDC's, especially when MDC's have no thought of "asianizing," "africanizing," or "latinizing" themselves. It is in relation to this fundamental problem of domination-subordination relationships between MDC's and LDC's that Japan, if she so chooses, can make an enormous contribution, for she too has suffered from the process and consequences of the irrational choice of "westernization" imposed on her by the developed nations of the West.

CONCLUSION

Whither Japan? Time and again, Japan has shown her extraordinary adaptability to the rules of the game that the West has imposed on the rest of the world. The danger in this historical pattern of Japanese behavior is that Japan once again may adapt herself too well to the power play of new imperialism as an efficient subcontractor of the worldwide socio-economic and political engineering initiated and managed by the West. Japan's diplomatic immaturity is well-known. This, coupled with her unfounded (but every bit real) feeling of shame about not being a Western country, disqualifies Japan for an important role in Asian affairs, for Japan looks down upon her Asian neighbors. At the same time, Asians have not erased the memories of World War II as easily as the Japanese. The Japanese in Southeast Asia
(Continued on page 244)

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"Delineating the Japanese defense posture in the 1970's, two opposing forces will continue to struggle against one another. . . . In this struggle, the forces advocating rearmament are likely to prevail."

The Prospect of Japanese Rearmament

BY MYUNG-KUN YIU

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PROBABLY THE MOST CRUCIAL issue confronting the Japanese people as well as the world in the 1970's is whether Japan will convert from economic to military power and assume a "messianic role" in the Far East and elsewhere in defiance of Article 9 of her "Peace Constitution," which reads as follows:

Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes.

In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerence of the state will not be recognized.¹

By the adoption of this constitution in 1947, Japan renounced once and for all her right to use military force to resolve any dispute with other nations or even for the purpose of national defense. The pacifists, socialists,² left-wing labor union (the Shōyo Labor Federa-

tion), student radicals (Zengakuren), and Communists in Japan have exploited Article 9 as a legal shield to denounce rearmament and the presence of United States troops in Japan. Thus as of 1970, Article 9, which was a symbol of the deep Japanese commitment to peace, has become an increasing annoyance to Premier Eisaku Sato's conservative government, which clamors for rearmament for the safeguarding of Japan's growing national interests.

The defenders of Article 9 have strongly resisted any constitutional revision that might result in Japanese rearmament. They argue that the constitution has blocked hasty attempts to advance the rearmament of Japan.³ If the "Peace Constitution" and the strong desire for it had not existed, Japan would not have enjoyed tranquillity in the turmoil of the international power struggle. The "Peace Constitution" helped to prevent Japan's entry into the Korean and Vietnam wars and her subsequent acquisition of nuclear weapons. Despite all the efforts of the defenders of the "Peace Constitution," there have been mounting pressures inside as well as outside government circles to repeal the anachronistic document in order to build military muscle.

Article 9 stemmed from a number of causes. Following their defeat in World War II, the Japanese people strongly desired to renounce the use of force. Their opposition to the use of nuclear weapons was particularly intense

¹ For detailed analysis of the background of Article 9, see Saegusa Shigetomo, *Shin Kempō Sono Kyōkō to Shinjitsū* ["New Constitution, Its Fallacies and Realities"] (Tokyo: Nippon Bunka Rengo Kai, 1965), pp. 41-124.

² It is interesting to note that it was the Socialist government of Katayama Tetsu which initially made the suggestion of military alliance with Washington in order to safeguard Japanese security. Yoshida Shigeru, *The Yoshida Memoirs* (New York: W. S. Heinmann, 1961), p. 265.

³ For a detailed account, see Robert A. Scalapino and Junnosuke Masumi, *Parties and Politics in Contemporary Japan* (Berkeley and Los Angeles: University of California Press, 1962), pp. 125-153.

because of the bitter experience of Hiroshima and Nagasaki.⁴ Ironically, it was the United States, not Japan, which designed Japan's "Peace Constitution."⁵ When the constitution was drafted in 1947, the S.C.A.P. (Supreme Command of Allied Powers) was overly anxious to cripple the Japanese war potential. Washington policy-makers were obsessed with post-war idealism, and they could not visualize any threat other than a potential Japanese militarism in the Far East.

LACK OF FORESIGHT

There were several reasons for this lack of foresight: mainland China was still under the rule of Generalissimo Chiang Kai-shek, and the Soviet Union was still busy building its own empire in East Europe. Since then, however, the international environment out of which the constitution was born has undergone radical changes. Now the argument for defense forces has become a prime topic of daily talk among people on the street. Some are bold enough to propose the manufacture and export of weaponry and the re-institution of the old imperial draft law. A constitutional amendment to repeal Article

9 has been proposed on a number of occasions,⁶ although majority support for repeal could not be rallied.

Public demand for stronger defense forces has been accelerated with the question of the reversion of Okinawa to Japan. A public opinion survey revealed that 80 per cent of the Japanese desire to own their own deterrence. On the eve of his visit to Washington in November, 1970, Premier Sato, with 35,000 spectators watching, reviewed a military parade with sophisticated military hardware in Meiji Shrine Park. Before the defense forces and the spectators, Sato called for Japanese determination to defend Japan with Japanese arms.

Change in Japan's military posture is also seen in the Self-Defense Agency's white paper, which warned of Japan's dangerous position, surrounded by the superior strength of the Soviet Union and Communist China. It disclosed plans for an overhaul of Japan's defense posture in the years 1972-1976 (a five-year economic plan).⁷

In spite of her constitutional moratorium on rearmament, Japan has slowly but steadily built up her military forces. She first created a National Police Reserve of 75,000 men under an order of United States General Douglas MacArthur in 1952,⁸ when Kim Il-Sung's North Korea was attacking South Korea. In his New Year's address to the Japanese people, General MacArthur explained the reasoning in favor of rearmament. He put it as follows:

If . . . international lawlessness continues to threaten the peace, it is inherent that this ideal [renunciation of war] must give way to the overwhelming law of self-defense preservation, and it will become your duty [as Japanese] . . . to mount force to repel forces.⁹

The National Police reserve was redesigned as the National Self-Defense Forces in 1957.

As of 1970, Japan's military forces consisted of 180,000 ground forces, including 13 army divisions, 770 tanks, 4,510 cannons, supplemented by 1,593 airplanes, various air-to-ground and anti-tank missiles and a naval fleet of 520 ships.¹⁰ Japan today poses much stronger fire-power than Premier Hideki

⁴ Herbert Passin, *The U.S. and Japan* (New York: Prentice-Hall, 1966), p. 44.

⁵ According to Takayanagi's view, it was not S.C.A.P. which drafted Article 9 of the Japanese constitution. He says that it was the product of the then Premier Shidehara. The reason: *SWNCC* document No. 228 stipulated that the Armed Forces of Japan would be controlled by some group other than the Emperor. In other words, Japan could maintain armed forces. Saegusa Shigetomo, *op. cit.*, p. 42.

⁶ The Commission on Constitution Study Committee was organized in 1956 when the Democratic and old Liberal parties merged into the Liberal Democratic party. The Commission has held a series of public hearings and has consulted with learned scholars in this field. It consists of 30 representatives from the Diet and 20 from the learned professions. Kurasho Insatusukyoku ["Ministry of Finance Printing Bureau"] *Kempō Chōsakai Hōkousho*, pp. 489-492.

⁷ *Asahi Shimbun*, September 17, 1969.

⁸ The Police Reserve was organized by Cabinet order N. 260; the English version of Cabinet order N. 260 appears in S. Quigley and John E. Turner's *The New Japan: Government and Politics* (Minneapolis: University of Minnesota Press, 1956), pp. 435-437.

⁹ Quoted in M. Royama, "Problems in Self-Defense," *Annals of the American Academy of Political and Social Science*, November, 1956, p. 168.

¹⁰ *Asahi Nenkan*, 1969, p. 326.

Tojo's defunct Japanese imperial army before World War II.¹¹ Most of the S.D.F.'s military equipment is manufactured by a powerful Japanese military-industrial complex.

The current defense budget is \$1.86 billion (it has increased more than ten-fold, compared with \$365 million in 1954) and military expenditure is expected to increase significantly, at least to double by 1975 if the economy keeps booming. When Japan became the fourth member of the space club to orbit an earth satellite on February 11, 1970, she demonstrated her ability to manufacture ICBM's, if necessary. Japan could also easily develop atomic bombs if she decided to go ahead.¹²

TABLE 1: INCREASE OF DEFENSE BUDGET OF MAJOR FOREIGN POWERS IN FIVE YEARS (1963-1968)

| | |
|---------------|-------|
| U.S. | 8.8% |
| Great Britain | 1.2% |
| France | 8.5% |
| West Germany | 2.1% |
| Italy | 5.2% |
| Japan | 11.3% |

Source: *Sekai*, December, 1969, p. 23.

Such defense posture has been at least tacitly supported by the Japanese people, with the exception of the socialists and their bedfellows. These latter groups comprise a minority, yet they wield a substantial influence.

The survey of the *Asahi Shimbun* of May 13, 1969, shows the drastic alteration of the Japanese attitude toward nuclear armament.¹³ According to the survey, those who opposed any type of nuclear armament of Japan comprised only 46 per cent; while those who favored nuclear armaments, in 1969 or in the foreseeable future, soared to 45 per cent from a previously negligible percentage.

A survey conducted by the Office of Public Information of the Japanese Cabinet sug-

gested another favorable change in the Japanese attitude toward Self-Defense Forces. The survey results, in per cent, were:

| 1956 | 1959 | 1965 | |
|------|------|------|----------------------------|
| 32 | 39 | 57 | Rearmament needed |
| 26 | 26 | 21 | No harm in rearmament |
| 12 | 12 | 7 | Neutral |
| 7 | 6 | 4 | No harm without rearmament |
| 11 | 5 | 4 | Opposed to rearmament |
| 12 | 12 | 7 | Don't know |

Source: *Sekai*, December, 1969, p. 146.

This upward tendency to support rearmament was also revealed in the *Sanken Shimbun* (one of Tokyo's dailies) of May 18, 1969, which surveyed the Japanese attitude toward the scope of the Self-Defense Forces. Its results were as follows:

| Percentage | |
|------------|--|
| 53 | Satisfied with present force level |
| 23 | Present force level should be strengthened |
| 10 | Present force level should be reduced |
| 3 | Peace Constitution must be abrogated immediately |
| 11 | No comment |

Source: *Sanken Shimbun*, May 18, 1969.

Both the *Asahi* and *Sanken* surveys clearly point out the upsurge of the Japanese defense consciousness and the drastic dissipation of the nuclear allergy since the Korean War.

There are a number of factors which have altered the Japanese attitude toward rearmament from one of bitter rejection to one of overt support.

SINO-JAPANESE RIVALRY

The first factor is a fear of the Chinese Communist power and China's jealous attitude toward Japanese economic power. By the third quarter of 1949, the Chinese Communists were in full control of mainland China, generating a Communist threat in Asia. In 1950, the Peking regime concluded a treaty of alliance with the Soviet Union. Within a few months the "Chinese Volunteer Army" rushed to North Korea to help North Korean Premier Kim Il Sung repulse

¹¹ *Koku Ho*, June, 1970, p. 40.

¹² This was testified by Minoru Genda, a retired defense chief, now a member of Japan's Diet. *U.S. News & World Report*, October 27, 1969, p. 93.

¹³ For example, Hattori, the head of a private research group, strongly urged nuclear arms in Japan for reasons of economy and efficiency. *The Japan Times*, March 5, 1959.

TABLE II: JAPANESE EXPORTS TO FOREIGN COUNTRIES IN 1968

| | | |
|-------------------------|-----------------|-----------------------|
| United States | \$3,100,000,000 | |
| Asia | 2,400,000,000 | Total \$5,500,000,000 |
| East European Countries | \$ 395,000,000 | |
| Soviet Union | 600,000,000 | |
| Communist China | 430,000,000 | Total \$1,425,000,000 |
| Canada | \$ 244,000,000 | |
| South America | 500,000,000 | |
| Middle East | 366,000,000 | |
| Europe | 1,195,000,000 | |
| Oceania | 291,000,000 | Total \$2,596,000,000 |

Source: *Asahi Nenkan*, 1969, pp. 394-395.

the United Nations forces. Following the Korean War, the Peking regime intensified its campaign to liberate Formosa, the base of Chiang Kai-shek's exile government. The Chinese bombardment of Quemoy and Matsu in August, 1958, pushed the Sino-United States confrontation to the point of no return. Following the first French nuclear test, Communist China successfully detonated her first nuclear bomb in 1964, and her first hydrogen bomb in 1970. In 1964, the Tonkin Gulf incident and the subsequent United States military involvement in the Indochina war seem to have buried the last hope of a negotiated settlement in the Far East.

The Chinese and Japanese inherited almost identical cultures, religions, customs and traditions. But they could not cooperate with each other because of conflicting national interests. Japan fought with China twice in less than half a century, in 1895 and 1937, and is now once again being placed on a collision course with Communist China. She has already expanded her economic influence to the point where she is threatening Peking's political hegemony in Asia. Japanese economic aid to countries of the Far East totalled \$599 million in 1968, and is expected to double by 1974. The value of Japanese exports to Asia in 1969 exceeded \$5 billion, a rise of more than 5 per cent over 1968. Japanese investments are pouring into the factories of Malaysia, the Philippines, Taiwan,

Thailand and Cambodia. Even Hanoi is reportedly negotiating with Tokyo firms to build industrial plants in North Vietnam. Indonesia, formerly an enemy of Japan, is now soliciting Japan to create a "kind of Marshall plan" to assist the countries of Southeast Asia in the period following United States disengagement from the region.

More significantly, at the Asian Economic Development Conference in April, 1970, in Jakarta, Japanese Foreign Minister Kiichi Aichi revealed Japan's readiness to offer one per cent of his country's total income (\$1.8 billion) for economic aid to Southeast Asian countries. To the Asian people, Japan's economic aid is far more attractive than the revolutionary doctrine that Peking tries to export. The rapid expansion of the Japanese economy and diplomacy in Southeast Asia¹⁴ must inevitably be accelerating Chinese jealousy and seriously damaging the prestige of Communist China in that region. Communist China has already denounced Japan's expanding economic role in Southeast Asia.¹⁵ Chinese Premier Chou En-lai has equated Premier Eisaku Sato with Hideki Tojo (who designed the attack on Pearl Harbor in 1941), accusing Japan of reviving militarism and the "Greater East Asia Co-Prosperity Sphere."

THE SOVIET INFLUENCE

The second cause of the change in the Japanese attitude regarding rearmament is the rapid rise of the Soviet influence in Asia. Soviet war planes intruded in Japan's air space more than 200 times in 1969 alone, and Japan's fishing boats have been frequently

¹⁴ Japanese exports to Southeast Asia amounted to \$2,400,000,000 in 1968. *Asahi Nenkan*, 1969, p. 394.

¹⁵ "Zaibatsu Stage Comeback," *Peking Review*, No. 4, January 22, 1971, p. 11.

harassed by the Soviet navy. The major supply of petroleum for Japanese industry comes from the countries on the Persian Gulf. Japan also imports food, fertilizer and more than 30,000,000 tons of raw materials annually. By the end of 1971, the British Royal Fleet is expected to withdraw from the Gulf of Persia, the Indian Ocean and Singapore. The Soviet Union currently maintains a squadron of 11 combat ships and a large number of auxiliary ships in this area. It is the Soviet Union which is most likely to fill the resulting power vacuum.¹⁶ In that case, the vital supply line of petroleum for Japan would be greatly threatened by possible Soviet harassment. An island nation like Great Britain, Japan knows that her prosperity vitally depends on foreign trade, which requires free navigation. The visible expansion of Soviet sea power in the Far East has become of great concern to policy makers.¹⁷

¹⁶ By proposing an organization of the Asian Collective Security System, the Soviet Union is now pushing its age-old ambition of expanding the Soviet influence in Asia, which has formerly been regarded as the sphere of Chinese and American influence. The idea of the collective security organization was first revealed by Madovie in an editorial in *Izvestia*, dated May 28, 1969. Leonid Brezhnev, First Secretary of the C.P.S.U., endorsed the idea during the World Communist Party Congress in Moscow on June 7, 1969. A month later, on July 10, Andrei Gromyko, in his foreign policy address in the Kremlin, affirmed Soviet support for such an organization.

With a view to rationalizing such a plan, the Soviet Union accused Japan of acting as an international military policeman in Southeast Asia. For further justification, Gromyko stated that the Soviet Union was a partly Asian and partly European country. This posture can be construed as a ploy to woo Asian nations. Western diplomatic sources have disclosed that the Soviet Union may have finished its studies on the security system and will soon reveal the concrete plan. This design adds another threat to Japan. According to the Japan-United States Security Treaty, Article 5, any attack on Japanese merchantmen outside the territory of Japan does not automatically necessitate United States protection. For this reason, the sharp increase in Japanese sea trade will require building up of Japan's naval forces. *Sekai Shūhō*, July 1, 1969, p. 14.

¹⁷ Sekiya Hideo, "Soviet Sea Power," *Sekai Shūhō*, August 12, 1969, pp. 14-18.

¹⁸ In spite of the bitter experience of militarism and the postwar democratization movement, conservative elites like Ogata Taketora, Miki Bukichi, Ono Bamboku and Hatoyama Ichiro quickly regained their former social status.

¹⁹ Masayoshi Nishitsuji, *Nenju Koji Jiden* ["Dictionary of Ceremonial Days of Japan"], Tokyo, 1969, p. 213.

One of the factors involved in Japan's new interest in rearmament is a continuation of the prewar industrial potential of *Zaibatsu* (the financial oligarchy) in Japan, which furnishes more than 70 per cent of the S.D.F. (Self-Defense Forces) military hardware. For example, *Mitsubishi* is manufacturing M61 tanks and F-104J fighters, and *Kawaskai's* dockyard company in Kobe is building submarines. *Zaibatsu* is now strong enough to influence the Sato government toward greater military spending.

Zaibatsu of Japan has deliberately avoided the discussion of its views on the issue of Japanese defense forces. Probably this is because of the rapid economic progress which postwar Japan primarily attributes to the lower Japanese defense budget. However, radical change has been seen in the minds of such *Zaibatsu* as *Keidanren* and *Nichikeiren*, who now speak out for rearmament. For example, Matsumura, the President of the General Assembly of *Nichikeiren*, has stressed the need for an increased military role to safeguard Japan's growing economic interests abroad. The *Keidanren* passed an unprecedented resolution which strongly emphasized the necessity of defense forces, particularly in the wake of the Vietnam war. The significance of the resolution lies in the fact that it was passed in the presence of Premier Sato, Transportation Minister Fukuda, and Foreign Minister Aichi. This shattered the possibility that Japan might become the "Switzerland of the East." The revival of *Zaibatsu* has created a foundation for military industry.

Another internal factor promoting Japanese rearmament lies in Japan's conservative forces, which are strong enough to rally nationalist sentiment.¹⁸ Such forces have been seen in official ranks as well as at the grass roots level. As evidence, the number of people who visit the Imperial House has increased, and the *Kigēnsetsu* (National Foundation Day), which was banned by S.C.A.P. (Supreme Command of Allied Forces) because of its militarist-imperialist nature,¹⁹ has been restored since 1966.

What would be the consequences if Japan went ahead with the policies urged by the

pacifists and socialists?²⁰ First the Japan-United States Security Treaty would be repealed and the relationship of the two countries would deteriorate. At the same time, Japan's relations with South Korea, Formosa and the Philippines (all staunch allies of the United States) would be jeopardized. Second, Japan could not maintain her economic prosperity, because Japan's exports to free countries in the Pacific area (including the United States) amount to almost 60 per cent of her entire exports.

Deteriorating relations between Japan and the free nations would sharply decrease Japan's volume of exports (see Table II, p. 234). This, in turn, would contract the Japanese economy. Japan could, to a certain extent, increase her exports to Communist nations (which amount to a mere 15 per cent of Japan's total exports) but this could not make up for what she would lose elsewhere. Japan's fishing industry might also suffer a drastic setback from South Korean harassment (which did occur before 1962). Since the pacifists advocate the dissolution of the Self-Defense Forces, they would leave Japan no means to protect her fishing vessels on the open sea. The dissolution of the Self-Defense Forces would unquestionably increase the influence and activities of the socialists and Communists who have already built up substantial influence.

For these reasons, the notion that the National Defense Forces are unconstitutional and therefore must be disbanded immediately is unrealistic. In words and appearance, unarmed neutrality for Japan is idealistic, but such idealism cannot become a shield for Japan's defense. What Japan needs is not an idealism of unarmed neutrality, but a realistic perception of danger, immediate and remote, to safeguard her security in a world

where most nations resort to arms for their national defense.

REINTERPRETING ARTICLE 9

One of the legal grounds for the Self-Defense Forces and rearmament is the Japanese-United States Security Treaty of 1951. The treaty recognized the right of Japan to maintain a substantial amount of military force. Article II of the Security Treaty stipulated that "Japan as a sovereign nation possesses the 'inherent right of individual or collective self-defense.'" ²¹

Secondly, Japanese admission to the United Nations in 1956 reinforced her legal right to maintain defense forces, since Article 51 of the United Nations Charter permits each member nation to protect itself by individual or collective self-defense. Furthermore, Hi-toshi Ashida, formerly a chairman of the Lower House Subcommittee on the Revision of the Constitution, legitimized the Defense Forces. The reason: Article 9 prohibits the use of weapons as a means of international settlement, but authorizes them for self-defense. The majority opinion of the Commission on the Constitution Study Committee favored the revision of Article 9 to narrow the gap between the idealism of the constitution and international reality.²² Although some members of the Commission were opposed to the revision of the constitution, they were not opposed to the defense forces. For instance, Takayanagi, the chairman of the Constitution Study Committee, is strongly opposed to any type of revision of the constitution. However, he upholds General MacArthur's view that the renunciation of war in the Japanese constitution must receive world-wide support. In other words, an implementation of the "Peace Constitution" is hardly possible unless other major powers take similar constitutional actions. The natural corollary is

(Continued on page 245)

²⁰ The Central Committee of Japan Socialist party made a decision that "in order to safeguard the peace and security of Japan, the Japan-United States Security Treaty must be repealed and Japan must dissolve Defense Forces and pursue unarmed neutrality." *Asahi Nenkan*, 1969, p. 323.

²¹ Theodore McNelly, *Contemporary Government of Japan* (Boston: Houghton Mifflin Co., 1963), p. 203.

²² *Kempo Chōsaka: Hōkokusho*, pp. 526-528.

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BOOK REVIEWS

BOOKS ON JAPAN

THE JAPANESE CHALLENGE. By ROBERT GUILLAIN. (Philadelphia: J. B. Lippincott Co., 1970. 352 pages, references, bibliography and index. \$8.50.)

This book is a useful continuation of Fosco Maraini's classic *Meeting with Japan*. Like Maraini's book, it is a work of love and fascination but, unlike Maraini, Guillain does not concentrate on folkways, mores and history. Rather, he explains the present social, demographic, political (domestic and foreign) and especially the economic situation of Japan, and provides perspectives for future developments in Japan's "race to the year 2,000." Consequently, the study is more topical, "modern" and achievement-oriented than the earlier classic. Not an economic treatise, the book nonetheless provides an incisive analysis of contemporary issues and trends and summarizes many more detailed studies while concentrating on the main problems confronting "the Japanese miracle."

Robert Guillain is the permanent correspondent of *Le Monde* in Tokyo, has known Japan since the 1930's, and is well-known there if only through his frequent column in a prominent Japanese newspaper, *Asahi Shimbun*. With this background, Guillain combines a journalistically vivid, readable style and a thorough knowledge of Japan. He can, for instance, describe comprehensively but without heavy statistics the prodigious urbanization of Japan and the location trends of her industries; he can analyze the dual structure of Japanese economy in which the advanced, well-paying enterprises exist side by side with sweatshops. On that last topic he comes up with an assessment which is fairer to the Japanese than other discussions:

... in parts of the Japanese economy grossly

inadequate wages do still exist, and . . . contrary to certain indictments whose anti-Japanese bias is . . . clumsy, these low wages are seen not as an advantage to the country but rather a great hindrance to its development; . . . they are the result of a situation in which there is much more loss than profit; and . . . the Japanese themselves look upon them not as a source of strength but as a crippling blemish that they are doing all they can to cure.

The author recognizes out of fairness the existence of sweatshops in Western countries and notices the sociological factor which alleviates individual hardships under Japanese conditions, viz., the helpful role of the close-knit family.

Guillain has digested a large number of books and articles on Japan and, as his individual chapters show, he has kept abreast of new developments down to the printer's deadline. For example, discussion of the automotive industry is so up to date that it seems to summarize articles published in 1970. His informative discussion of the leading industries ranges from electronics to the atomic industry. The flexibility and dynamism of her industry endowed Japan with the third largest national product in the world by 1968, smaller only than that of the two superpowers, but Japan placed only sixteenth in per capita income. The anatomy of the Japanese economic surge constitutes one of the focal points of Guillain's work, with an analysis of why Japan takes only sixth place in international trade. This juxtaposition explodes one of the conventional myths that declares that Japan's economic strength has been built on her foreign trade.

Guillain's discussion of Japan's external relations is conducted from a favorable vantage point, that of an outside observer, not concerned with American interests as such. The observer tries to understand

Japanese relations and to define the range of alternatives open to Japan. This range seems understandably wider than if it were outlined by an American writer, which adds to the value of the volume.

This reviewer cannot help but reflect on the differences in some Western scholarly attitudes toward Japan. Almost every Western nation has produced scholars sympathetically fascinated with Japan, to wit, Lafcadio Hearn of Great Britain, Edwin Reischauer of the United States, Fosco Maraini of Italy, Robert Guillain of France. No such outcrop exists to my knowledge in Communist countries, where ideological pressures prevent intellectual courtship of alien systems even, or perhaps especially, when such systems are glaringly successful. Communist experts on Japan may describe her statistical achievements, but will stress the seamy sides of her progress, like her dual industrial system. They tend to deplore the "slow" (in relation to which Communist country?) rise in the standard of living, or show apprehension about "nascent militarism," without providing obvious comparisons, e.g., that Japan, with over three times the population of Communist Poland, has a numerically weaker defense establishment. Guillain serves as a model of objectivity, being neither apologetic nor compulsively critical, but always enlightening the reader with his own interest in his subject.

Three of the books reviewed here (Guillain's, Kahn's and Olson's) end with a look toward the future and try to assess Japan's prospects. There is something fascinating in Japan's recent spectacular growth, and obviously something engrossing in her potential for economic development. Few nations have probably so much to look forward to and so little to feel secure about. The sight of what Robert Guillain calls "the bicycle economy" of Japan makes it psychologically inevitable to ask whether the rider will keep on cycling or will lose his balance on a turn or by halting. As trapeze artists know, the more daring the act, the more attention it attracts.

The third reflection concerns the changing character of books on Japan, from early memoirs of visitors about their "lotus-time in Japan" (e.g., Henry Finck, Horace Capron, W. H. Seward), through books on history, customs and art (e.g., Maraini, Heran, Reischauer), to the current emphasis on the mainsprings of the economic might of Japan (e.g., William Lockwood, G. C. Allen and Henry Rosovsky in economics; Ruth Benedict, Jean Stoetzel, Bennett and Ishino, and Thomas Smith in sociology; and Masao Mazuyama in political science). The change reflects probably the increasing acquaintance of the West with Japan, which has ceased to be an exotic oriental enigma, and our more analytical frame of mind and contemporary interests. Current problems seem to attract increasing attention. Guillain's book serves superbly to satisfy that need.

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Ithaca College

JAPAN IN POSTWAR ASIA. BY LAWRENCE OLSON. (New York: Praeger Publishers, 1970. 292 pages, bibliography, notes and index, \$10.00.)

Lawrence Olson is an old "Japan hand" and has had the benefit of wide and frequent travel throughout most of Asia. Drawing on an imposing number of Japanese and other foreign sources, as well as interesting insights based on many personal interviews, Olson has produced an original assessment of postwar trends in Japanese economic relations with other Asian countries. His study also contains an informative and sometimes amusing review of various attitudes toward foreign trade and toward mutual trading partners. To be sure, the coverage of the volume is less than comprehensive, particularly because of the omission of Pakistan, Ceylon, Hong Kong and the whole of the Asiatic Middle East. The main problems of Japanese reparations and early trade are, however, covered incisively and interestingly. Olson stresses the difficulties encountered during efforts to increase Japanese foreign trade

in the area, and his account of the multifarious vicissitudes in trade with China is particularly instructive.

In a sense this is a heartening story of the 1945–1968 period, when shrill nationalism slowly receded, giving way in part to emerging economic cooperation and to concentration on material gains in the less developed countries. From the American point of view there is also a wry consolation in finding that criticisms which have been leveled against United States aid and trade policies are relevant in the case of a country like Japan, which enjoyed the advantage of entering into trade and aid relations later and, supposedly, culturally and developmentally nearer to the Asian grassroots. The compassionate understanding of Asian peoples that characterizes Olson's approach provides new insights into the problems of Asian development and international communication. The author strongly recommends a regional approach to Asian studies, instead of the academic parochialism of one-country expertise. The region-wide approach is recommended also with respect to the attitudes of Asian peoples toward themselves:

If only, one often wished, Asians had some cement to hold them together and give them a sense of belonging to a single region instead of being, as Sun Yat-sen said foreigners called the Chinese, a sheet of loose sand.

In the Asia to come Japan has an important place:

The question is not whether Japan should play a larger role in Asia. Such a role is inevitable. . . . The question is the manner and spirit of the role.

While Olson provides one statistical table on the flow of Japanese-financed aid to less developed countries as a whole, the reader may miss a summary table on Japanese foreign trade with individual Asian countries and its proportion in the total foreign trade of Japan. The interested reader has to look for such information in the *Yearbooks of International Trade Statistics* of the United Nations. There exists also an imbalance in the focus of the study be-

tween the before- and the after-1964 parts of the book. While the former provides mention of growing trade, the latter concentrates on aid projects. Both aspects seem important, but either one could provide the focus for the whole study. These are, however, minor and perhaps quibbling criticisms. They do not detract from the merits of Olson's study and from its importance to students of international aid and of foreign trade as an agent of economic development.

Seiko Mieczkowski

THE EMERGING JAPANESE SUPER-STATE: CHALLENGE AND RESPONSE. BY HERMAN KAHN. (Englewood Cliffs: Prentice-Hall, Inc., 1970. 274 pages, appendix, chapter notes, selected bibliography and index, \$7.95.)

Herman Kahn's curious mixture of superannuated data, long tangential quotations (more frequently than not out of date), tables reduced to the most platitudinous common denominator, unwarranted generalizations and futurologist brainwaves fills one with apprehension that the Hudson Institute, of which Herman Kahn is "the distinguished director and one of the founders," may have an influence on the formulation of United States foreign policy. The book may be recommended only to those who already know enough about Japan not to be misled by it. It is only appropriate that in his prefatory note the author disclaims pedantry. Nobody in his sane mind would accuse him of that.

Bogdan Mieczkowski

JAPAN: ITS HISTORY AND CULTURE. BY W. SCOTT MORTON. (New York: Thomas Y. Crowell Co., 1970. 243 pages, glossary, chronology, bibliography and index, \$7.95.)

The book is a good synoptic study of Japanese history from its racial, cultural and legendary origins to 1970. It is suitable for those students who want to grasp Japanese history quickly and it may be recommended as a basic college textbook.

It is hard for anybody to put a lengthy history of a nation into just over 200 pages. Yet Scott Morton has avoided the pitfalls of oversimplification. He discusses the causes and results of wars, the outstanding features of Bakufu (military rule) which began in 1192 and ended in 1868, Japan's culture, life and religion during various periods, as well as her relations with foreign countries. The author provides interesting comparisons between Japanese heroes, art and political systems and those of foreign countries, for instance, between Japanese warriors and medieval knights; between Yoritomo, who established the first military rule in 1192, and similar European conquerors; between No plays and classical Greek plays; between Japanese government and Chinese T'ang government.

Morton has the advantage of a double historical perspective, having studied Japan first hand during the 1930's and then during the postwar period. He describes Japanese culture, literature and social life during various periods. Thus, he introduces excerpts from *The Record of Ancient Things* (Kojiki), *The Tale of Genji*, the origin of the way of the warriors (the code of Bushido), personal descriptions of several outstanding men, and haiku poetry. The reader may find interesting details, e.g., an account of sword-making. Morton's version of the popular story concerning the attitudes of three Japanese leaders (namely Nobunaga, Hideyoshi and Iyeyasu) to a songbird contains an error of switching the statements which serve to characterize their personalities. Nobunaga, who was impetuous, was actually supposed to have said, "I'll kill it if it does not sing." To the capable Hideyoshi, whose ability led to successes unattainable to others, is attributed the historically more plausible statement, "I'll make it sing if it does not sing," while Iyeyasu is correctly reported to have said, "I'll wait until it sings."

Japanese history since 1868 has been increasingly more complicated. To contain this involved history in less than 70 pages

is a difficult task. In consequence, some problems seem too briefly described, e.g., the 1914-1931 period when the Japanese people experienced complicated social, economic, political and military cross-currents.

The chronology of political, military and cultural events which appears at the end of the volume is helpful for purposes of review. In the glossary, Japanese terms are explained in English. There are many terms, however, which were used only during particular periods, e.g., *jito*, *fumie* and *sonno joi*. Had Morton added the period for which these terms are pertinent, or had he listed them in the index, the terms would have been more helpful to students learning their proper application. Even without these improvements, however, the book is to be highly recommended.

Seiko Mieczkowski

JAPANESE FOREIGN POLICY AND DOMESTIC POLITICS: THE PEACE AGREEMENT WITH THE SOVIET UNION. DONALD C. HELLMANN. (Berkeley and Los Angeles: University of California Press, 1970. 202 pages, \$5.00.)

Hellmann's book deals with Japanese foreign policy-making towards the Soviet Union from 1954 to 1956. Hellmann analyses the reasons for Japanese Prime Minister Ishiro Hatoyama's decision to normalize relations with the Soviet Union and describes how Hatoyama's party, the opposition, the public and various groups within Japan were involved in and reacted to his policy-making process.

Hatoyama and his men had been looking forward to normalizing the relations with the Soviet Union, and that goal became their slogan. Hatoyama's foreign minister, Mamoru Shigemitsu, took a firmer approach to the Soviet Union. He thought that the Soviet Union should take the initiative in normalizing relations and insisted that questions such as territory and Japanese detainees should be solved before the establishment of diplomatic contacts.

(Continued on page 244)

JAPAN AND THE CONTINENTAL GIANTS

(Continued from page 199)

interrupted this trade for political reasons.

Since 1968, however, when Peking began once again to interest itself in economic growth and to resume foreign relations, Sino-Japanese trade has increased to approximately the same level as Japanese trade with the Soviet Union, or with the Nationalists (approximately two per cent each of Japan's total trade). In 1969, Sino-Japanese trade totalled \$625 million, and in July, 1970, the Foreign Ministry estimated that total trade for 1970 would reach \$700 million.

About 10 per cent of this commerce is conducted under the terms of a Memorandum Trade Agreement negotiated annually since 1968 by the quasi-official Japanese Memorandum Trade Office and the Peking government. The other 90 per cent of the trade is arranged between Peking and what are known as "friendly firms." In the spring of 1970, as part of a wider campaign against the United States-Japanese security relationship and against Japanese trade with Taiwan, Chinese Premier Chou En-lai announced a purge of "friendly firms" doing business with either the United States or Taiwan. As the 1970 trade figures suggest, however, the purge was applied only in a small number of highly publicized cases.

The Japanese have been maintaining an export surplus and, judging from the commodities exchanged, there is little doubt that the trade is more important to China than it is to Japan. Japan's exports consist mainly of iron and steel, chemical fertilizers, machinery and non-ferrous metals, all of which are vital to Chinese economic growth. The principal items imported by Japan are soy beans, raw silk, dried fish, clothing and animal hair. With the possible exception of soy beans, none of these items is in demand in Japan. Moreover, compared to the Soviet Union,

mainland China appears to have little in the way of exportable resources, and her low per capita income makes her a dubious market for Japanese exports.

Although Sino-Japanese trade seems to be on the upswing, its course in the next few years is highly uncertain. Judging from the Memorandum Trade negotiations in Peking last spring, from the diatribes directed by Peking at the Sato Cabinet during the past year, and from political developments in Japan herself, it appears likely that China's government may once again precipitate a disruption of trade. In March, 1970, Furui Yoshimi, a Liberal Democratic Diet member, traveled to Peking as the representative of the Memorandum Trade Office to negotiate the annual agreement. He was expected to sign the agreement within a week. In April, Matsumura Kenzo, the venerable leader of the small mainland China lobby in the Liberal Democratic party, and Fujiyama Aichiro, a former Foreign Minister, were scheduled to follow up Furui's work with a goodwill visit. At it turned out, the Chinese refused to conclude the trade agreement unless Furui agreed to sign a joint communiqué denouncing Prime Minister Sato's decision to continue the United States-Japanese Mutual Security Treaty and harshly criticizing the Prime Minister for "militarizing" Japan and threatening the peace and security of Asia.

The talks dragged on until Matsumura and Fujiyama arrived in April. Then, for reasons that are still unclear, Furui signed the communiqué. When he returned to Japan, his communiqué was immediately and strongly repudiated by Prime Minister Sato and Foreign Minister Aichi.⁸ Furui and Fujiyama defended the communiqué, arguing that relations with China must be "normalized," and that no improvement would be possible as long as the Sato Cabinet was in office.⁹ Furui and Fujiyama were harshly criticized by leading Liberal Democrats, including prime ministerial candidates Fukuda Takeo and Tanaka Kakuhei, for kowtowing to the Chinese.

During the summer and fall of 1970, as the Liberal Democrats prepared to vote on

⁸ *Asahi Shimbun*, April 23, 1970.

⁹ *Nihon Keizai*, April 23, 1970.

Sato's candidacy for an unprecedented fourth term as party president, the anti-Sato factions dallied with the idea of attempting to upset the Prime Minister on the China issue. But they never coalesced, and Sato won the party election in November handily, opening the possibility that he might remain in office through 1972.

Following the party election, Fujiyama declared that in light of Italian and Canadian moves to recognize Peking, improvement of Japan's relations with mainland China was a major national issue that went beyond party lines. In December, 1970, he formed a non-partisan Federation of Diet Members for the Restoration of Japan-China Diplomatic Relations. By February, 1971, a majority of the Diet, including Liberal Democrats, Socialists, Democratic Socialists, Communists and members of the Clean Government party had come out in favor of Fujiyama's federation. However, the Sato Cabinet still commands overwhelming support within the majority Liberal Democratic party, and the anti-Sato factions do not seem ready to bolt the party over the China issue.

The possibility that Sato and his party will eventually come to grief over China cannot be ruled out. Furthermore, it is even possible that Sato himself or a successor favored by him might recognize Peking within the next few years. But for the time being, it is most unlikely that the Japanese Memorandum Trade negotiator will sign another communiqué like Furui's. It is conceivable that these negotiations might fail and that the Chinese might let the quasi-official Memorandum Trade lapse, while continuing the economically more significant "friendly firm" trade. In any case, the outcome of the 1971 trade negotiations will depend heavily on Peking's willingness to moderate its tone and to separate politics and economics in order to buy Japanese steel, fertilizers and machinery.

CONCLUSION

In conclusion, current Japanese policies toward the United States, the Soviet Union and mainland China suggest that the Sato

government fully appreciates the geopolitical and strategic limitations as well as the advantages of Japan's international position. Conservative policy-makers in Tokyo do not view Japan's extraordinary economic achievements as the foundation for a Japanese super-state, or as the means for restructuring the international relations of East Asia. On the contrary, Prime Minister Sato and his colleagues seem to believe that Japan's security and prosperity are intimately bound up with the pattern of tensions, conflicts and alliances in Asia that has changed little since the Korean War. They see no pressing need to alter this pattern or Japan's place in it and are unlikely to do so unless compelled to either by United States withdrawal from the Security Treaty or by an American protectionist trade policy that would deprive Japan of her most important overseas market.

JAPAN AND SOUTHEAST ASIA

(Continued from page 206)

other nations which consider the Japanese mere "economic animals." Much more is at stake than just the nation's prestige: more important is the discrepancy between such an evasion of responsibility and Japan's long-range national interest.

Facing such a period of ordeal, we Japanese should recollect again what the late Prime Minister Shigeru Yoshida so clearly stated in his well-known essay, *Japan's Decisive Century*:

In a certain sense, the Japan of today is analogous to the Japan that emerged from the Russo-Japanese War. By reason of its victory over czarist forces, the nation acquired great power status virtually overnight. The people of Meiji succeeded in accomplishing what they had set out to do. Today, the Japanese have succeeded in the undertaking to which they set their hearts and hands immediately following the Pacific conflict. But in the years following the Russo-Japanese War, our people, instead of seeking new objectives, lost sight of the national purpose; before they became aware of that fact, they drifted in a misguided direction. If the Japanese nation and people of today, avoiding their responsibilities, fail to give purpose to their high qualities, they will run into a similar danger.

JAPAN'S ECONOMY

(Continued from page 224)

mentalized enterprises which have had relatively little direct experience with exchanging information, coordinating plans and moving personnel from one company to another over a broad range of the economy. In contrast, one of the strengths of the large Japanese firm during the recent high growth era has been its *internal* flexibility and coordination with its own "related" firms.

Until recently, Japan has devoted a comparatively small proportion of her GNP to research and development, about one-third to one-half of the ratio spent in the United States and Great Britain. Even the government's contribution to research and development has been low in comparison. On the other hand, Japan has done as well as France and West Germany in this respect. It remains to be seen whether the Japanese can make up through their own efforts for the decline of "catch-up" opportunities to adopt technological changes.

Similarly, it remains to be seen whether new programs for manpower training and retraining will effectively enhance the adaptability of an "old" labor force to new technological and organizational work requirements. Not only is it necessary to afford systematic training opportunities to larger numbers of workers throughout the nation, but changes in pay structures, work incentives and working conditions which employees see as improvements may also be required. Probably the government will have to play a much larger role in manpower and personnel management than it has played.

Prospects such as these have led thoughtful Japanese to wonder whether Japan is about to enter an era of increasing social tensions that rise out of the single-minded goal of achieving a high rate of economic growth. Delicately balanced social structures may face disruption unless handled with great finesse.

As the average Japanese looks about him, there is already considerable cause for dismay.

While the GNP has leaped upward, housing remains dilapidated and overcrowded, rivers have turned into sewers, air to breathe requires gas masks (and perhaps medical treatment), schools are jammed, beaches and recreation areas are junk heaps, transportation is clogged and hazardous—all these difficulties are seen among other signs as the "anguish of economic growth." While the government has begun to pay increasing attention (and appropriating a somewhat larger budget) to cleaning up Japan's enormous pollution, it is feared that the social costs of growth will continue to outrace the benefits.

Preoccupation with output has not as yet made the Japanese especially rich. Despite the rise in per capita income to a level close to the European, the social amenities for a healthy and joyful environment appear shoddy. As the Economic Planning Agency of the government itself pointed out, compared to Italy, West Germany, Great Britain, France, Sweden and the United States, Japan still ranks last in such items as per capita nutrition, leisure, social security benefits, hygiene, culture and recreation, and transportation. On top of this has been the nagging inflation of consumer prices that falls especially severely on fixed income receivers and older workers with large families.

This "anguish" may be leading Japan to a new internal political crisis during the 1970's. The Japanese student protests of the past few years, though at present quiet, may have been a foreshadowing. Certainly uneasiness and tension mark the Japanese as they wonder whether to utilize their enormous productive capacities to keep on with the same "production supremacy" growth path or to reorder Japan's economic priorities for meeting the social negligence and disruption that growth has generated. This theme, of course, is not unfamiliar to Americans. It is a major question for both nations. Were their efforts individually and jointly directed toward increased social welfare, each nation could expect its stature to be enhanced throughout the world regardless of which will be number one in GNP.

JAPAN'S ECONOMIC RELATIONS WITH ASIA

(Continued from page 230)

are already occasionally derided as "Yellow Yankees" or "Ugly Japanese."²⁰

Under the circumstances, Japan with humility should allow herself more time to understand the Asian outlook, sentiment and aspirations before she ventures into more vigorous official action at the intergovernmental level. It would be a mistake for her to aspire too hastily to Asian leadership at the political and diplomatic level. For some time to come, she should be content with a standby role in Asian politics and diplomacy, while intensifying sub-governmental educational, social, and economic interactions. In the meantime, Japan has more problems to clean up at home than she can manage—those that stem from 25 years of single-minded economic growth at the expense of the quality of life and society.

²⁰ Koji Nakamura, "Japan: Resentment at Home and Abroad," *Far Eastern Economic Review*, May 28, 1970, pp. 14–15.

BOOK REVIEWS

(Continued from page 240)

He wielded strong power in the Foreign Office. Yoshida Shigeru, Prime Minister until 1954 and the head of the Liberal party, had by and large continued United States-centered policies and he and his party were anti-Soviet.

Consequently, when the letter for the opening of negotiations was delivered from the Soviet Union to Hatoyama in early 1955, Japan's Soviet policy had not yet been set.

Yet the London talks in 1955 seemed satisfactory once the Soviet Union dropped its demands for the neutralization of Japan and offered to return the Habomai and Shikotan Islands. Then the Japanese Foreign Office, without warning, issued a pamphlet which annoyed the Soviet Union, and

the formal talks were broken off. Finally, the Joint Declaration, which provided for the normalization of diplomatic and economic ties and for the termination of the state of war between the two nations, was signed in Moscow in October, 1956. With this Declaration, all outstanding issues were settled, except for territorial questions arising from World War II.

The peace agreement with the Soviet Union was the first main treaty which Japan negotiated after gaining her independence in 1951. Until the end of World War II, Japanese foreign policy was made by a limited number of statesmen belonging to the ruling group. The Japanese public was, therefore, not accustomed to considering questions of foreign policy. The experience of the 1954–1956 negotiations should become useful for the politically maturing Japanese; this well-written work highlights the areas where shortcomings were most obvious.

Seiko Mieczkowski

JAPAN'S POSTWAR DEFENSE POLICY, 1947–1968. By MARTIN E. WEINSTEIN. (New York: Columbia University Press, 1971. 135 pages, appendices, bibliography and an index, \$7.50.)

Martin Weinstein opens his discussion of Japan's defense policy in the years since World War II with a brief description of the geographical and historical setting of postwar Japan. The origins and basic conception of the policy are analyzed, security treaty diplomacy is evaluated, and the role of the Self-Defense Forces is discussed. Weinstein discerns a strong and rational defense policy carefully followed by Japan's leaders since World War II. As he sees it, "Looking back over the origins and development of Japan's postwar defense policy, it seems clear that this policy was not cooked up in Washington and swallowed whole in Tokyo."

In the light of recent discussion of Japan's future role on the world stage, this brief, well written study—the result of a year's research in Japan—should be

welcomed by everyone interested in world affairs. The texts of the U.S.-Japanese treaties of 1951 and 1960 add to its value.

O.E.S.

THE JAPANESE OLIGARCHY AND THE RUSSO-JAPANESE WAR. BY SHUMPEI OKAMOTO. (New York: Columbia University Press, 1971. 358 pages, Japanese and English bibliographies and index, \$12.00.)

This well-written study of an era when Japan first burst upon the world scene is particularly timely because of the resurgence of modern Japan. Professor Okamoto makes extensive use of Japanese materials: diplomatic papers, private letters, diaries and biographical data. The book details the story of the Japanese decision to make war on the Russian Empire and the results of that decision.

The reader may well draw parallels to Japan's success today.

O.E.S.

JAPANESE REARMAMENT

(Continued from page 236)

that as long as the other major powers are busy in the arms race, Japan is not bound by her "Peace Constitution." Therefore, her Self-Defense Forces are not unconstitutional.

Takayanagi's claims regarding the international implication of Article 9 have been supported by many Japanese. They oppose an immediate change of the constitution, but support the Self-Defense Forces as a sovereign right and look forward to the ultimate revision of the constitution.

Delineating the Japanese defense posture in the 1970's, two opposing forces will continue to struggle against one another. One force consists of those who wish to preserve the present "Peace Constitution" and dissolve all existing military commitments; the other is made up of groups which want to revise Article 9 and increase Japan's defense forces. In this struggle, the forces advocating rearmament

are likely to prevail. Chinese and Soviet threats will continue in Asia for some years to come. The United States has been urging Japan to play a more active role in counterbalancing China. *Zaibatsu* and rising nationalism are spurring demands for a build-up of the military arsenal. And a continuing economic growth rate of 13 per cent yearly since Sato's triumph in 1964 would enable Japan to meet the costs of increased military spending.

An indication of the rising sentiment for rearmament can be seen in the emergence of Japan's ruling Liberal Democratic party (Conservative) as the victor in the national election for the Upper House of the Diet in July, 1969. Another sign may be found in the national election for the Lower House in December, 1969,²³ which renewed popular endorsement for Sato's L.D.P., a firm advocate of the continuance of the Security Treaty and of independent defense forces.

If Japan desires security and economic prosperity, she must bear the responsibility for keeping Asian countries from falling into Communist hands. Many Asian nations have already been pushed to the brink of such danger. South Korea has been constantly provoked by North Korea; Formosa has been under heavy military pressure from mainland China; and Vietnam, Laos, Cambodia and Thailand have long been targets of national liberation wars. If all Asian nations were to fall victim to Communist aggression, could Japan still claim her security and sustain her economic prosperity? The answer is negative. Perceiving this, in his opening address to the new Diet in December, 1970, Premier Sato said that "from now we are entering an era in which Japan's national power will carry unprecedented weight in world affairs."

Japan seems bound toward a new destiny as an Asian nation and as the "leader of Asia," a role which compels her to take on greater economic and military responsibility as a countervailing force against any Communist threat. The security of Japan depends on whether she will in fact assume such responsibility.

²³ In the December, 1969, election of the Lower House, Sato's Liberal Democratic party rallied 288 seats, more than 60 over the 1962 election, while the Socialist fell to 90 seats from 134. *Asahi Shinbun*, December 28, 1969.

JAPANESE POLITICS

(Continued from page 212)

style as on its goals. These are to stress informality in organization and spontaneity in participation and thus act as a corrective to the pressures for conformity in Japanese society in particular and economically advanced societies in general.

The so-called new left encompasses a broad variety of beliefs and strategies from the liberalism and peaceful tactics of Beheiren to the anarchism and violence of some of the radical student factions. What makes the new left new is that it does not accept the leadership of the traditional left. In postwar Japanese history, the left, no matter how radical, had always, with minor exceptions, identified with some party or party faction. Although unable to see its party take power, it could derive some benefit from having its positions championed in the Diet and through the parties influencing the formation of general public opinion. Now that relationship does not exist. The Socialist party tried to incorporate elements of the new left, particularly the above mentioned Anti-War Youth Committee, but the attempt failed, partly because Sohyo refused to support the party leadership on the issue. It was both ironic and sad when, at its party conference in October, 1970, the J.S.P. had to station guards at the door to prevent radicals from invading the conference hall.

CONCLUSION

While one-party dominance may seem to some to be an indication of the strength of Japan's political system, it is in fact a major weakness. No one party can bridge all cleavages and represent all interests, and to the extent that citizens feel they are not being represented, there is frustration, apathy, a distrust in politicians and politics and attempts to achieve goals by direct action. The L.D.P. has been more pragmatic than its Socialist opposition, but one should be careful not to exaggerate the party's flexibility. It must be emphasized once again that the

majority of L.D.P. Diet members come from outside Japan's metropolitan areas, and its Diet strength, in terms of number of seats, is not an accurate reflection of its popular support. As long as there is no major reapportionment, the party will continue to be dominated by a rurally based leadership, and the majority urban population will continue to be seriously underrepresented in national politics.

But the L.D.P. should not be criticized too strongly. It has shown itself capable of governing. The converse cannot be said of the political opposition. It has shown itself increasingly incapable of opposing. The most effective means for getting parties in power to change policies is to challenge that power. But the opposition parties in Japan have never been able to develop that strength, and the main party of opposition has suffered increasingly serious defeats in the past few years. The situation now is much more serious than ever before, because the opposition is becoming increasingly alienated from the public that has been traditionally opposed to the L.D.P. This destroys the opposition's base of support in the electorate, greatly reduces its ability to act as a check on the ruling party, and leaves large and important sectors of the public without representation in the party system.

There are great dangers inherent in this situation that only a narrowly conceived concept of political stability (and of democracy) could deny. A functioning parliamentary democracy must be capable of peaceful and orderly change, both in the personnel and the policies of government. By this measure the Japanese political system has yet to be tested. Unless the opposition is revitalized, Japan faces the danger of institutionalized one-party rule.

A crisis of confidence in the party system is only one of the many similarities between Japanese and American politics. For both countries this decade will determine whether political parties can meet the crisis and preserve the substance as well as the forms of parliamentary democracy or whether new arrangements will result.

THE MONTH IN REVIEW

A CURRENT HISTORY chronology covering the most important events of February, 1971, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Berlin

Feb. 4—East German Premier Willi Stoph offers to ease some of the tension connected with travel to West Berlin and West Germany on condition that all political ties between West Berlin and West Germany be severed.

Feb. 14—*The New York Times* reports that the U.S., Britain and France have proposed to the Soviet Union that West Berlin should give up its claim to be part of West Germany and that the Soviet Union should recognize West Berlin's special cultural, economic and political ties to the West German Republic. The U.S.S.R. would also have to guarantee fairly free access to the city.

Feb. 15—The board of the West German Social Democratic party, in a meeting led by Chancellor Willy Brandt, indicates its support of the position of the Western allies on the question of Berlin.

Feb. 24—In a letter to West Berlin's Mayor Klaus Schütz, East German Premier Willi Stoph offers to ease restrictions on travel from West Berlin to East Germany and East Berlin and acknowledges the role of the Big Four in the negotiations.

Disarmament

Feb. 11—At ceremonies in Washington, London and Moscow, the treaty barring nuclear weapons from the ocean floor is signed. At least 63 nations have signed the treaty; the pact will go into effect when it has been ratified by 22 nations.

Feb. 23—U.S. President Richard Nixon sends a message to the Geneva disarmament conference asking for a ban on bacteriological weapons; the Soviet representative asks for a ban on both bacteriological and chemical weapons.

Middle East Crisis

Feb. 2—In response to U.N. Secretary General U Thant's appeal today for a continuation of the peace talks under Gunnar Jarring, the special representative to the Middle East, the Israeli Foreign Ministry agrees to "maintain the cease-fire" and to explore the possibilities for a peaceful settlement.

Feb. 3—A message from U.A.R. Foreign Minister Mahmoud Riad to U.S. Secretary of State William Rogers informs the U.S. that the U.A.R. will extend for one month the truce with Israel that was to have expired on February 5.

Feb. 4—U.A.R. President Anwar el-Sadat confirms the extension of the cease-fire and offers to allow immediate clearance of the Suez Canal if Israel will begin a partial withdrawal of her troops from the east bank of the canal.

Feb. 5—U.S. State Department officials report that the U.S. has informed the other Big Four members that it is prepared to begin preliminary discussions with them on guarantees by the Big Four of a Middle East settlement.

Feb. 8—Representatives of the U.A.R. and Israel confer separately with Gunnar Jarring in New York.

Feb. 9—In a speech to the *Knesset* (parliament), Israeli Premier Golda Meir says that Israel supports the reopening of the Suez Canal to shipping, including Israeli shipping, and a "mutual de-escalation of the military confrontation." She rejects the suggestion of Israeli troop withdrawal until a peace agreement has been reached.

Feb. 17—Speaking to the *Knesset*, Israeli Foreign Minister Abba Eban says that Israel will insist on retaining some occupied Arab territory under a peace settlement.

Feb. 18—Reports indicate that the U.A.R.

has informed Jarring that it will sign a peace treaty if Israel withdraws from all Arab territory captured in the June, 1967, war.

Feb. 21—Following a Cabinet meeting, Israeli Foreign Ministry officials announce that Israel will send substantive new peace proposals to Jarring within the next few days.

Feb. 26—Israel notifies Gunnar Jarring that she is willing to enter a detailed discussion of territorial and other terms of a peace treaty with the U.A.R., according to informed sources at the U.N.

North Atlantic Treaty Organization (NATO)

Feb. 17—Lord Carrington, the British Minister of Defense, announces that Great Britain, reversing a previous decision, has decided to join other European members of NATO in a program to strengthen military facilities.

Organization of American States

Feb. 1—The foreign ministers of Brazil, Argentina, Paraguay, Guatemala, Ecuador and Haiti and their entire delegations walk out of a conference of the General Commission of the O.A.S. in protest against what they consider to be too weak a draft convention to prevent the kidnapping of diplomats and political terrorism. After the walkout, the General Commission, in a 14-to-3 vote, approves the draft.

Feb. 2—The conference of foreign ministers, in a 13-to-1 vote with 2 abstentions, approves the convention against the kidnapping of diplomats; the 6 who walked out yesterday boycott the meeting.

Organization of Petroleum Exporting Countries

Feb. 4—After a meeting in Teheran, Jamshid Amouzegar, the Iranian Minister of Finance and the new president of the Organization of Petroleum Exporting Countries, reports that the 10-nation organization has given international oil companies until

February 15 to increase revenues to member countries.

Feb. 14—A 5-year agreement between oil companies and 6 Persian Gulf states is reached; the agreement increases payments by more than \$1.2 billion this year. Agreements still must be reached with 4 other oil-producing countries.

War in Indochina

Feb. 1—Officials in Washington report that a major operation involving thousands of U.S. and South Vietnamese troops is in progress in the northwest corner of South Vietnam. An embargo on military news in northern South Vietnam, which has been in effect for 4 days, continues.

U.S. B-52 bombing raids on North Vietnamese supply routes in Laos continue. Communist forces stage 6 attacks on U.S. bases in South Vietnam.

Feb. 3—The Laotian Defense Ministry reports that North Vietnamese troops have overrun several Laotian positions in the northwest area of the Plaine des Jarres.

Feb. 4—The news embargo is lifted. The U.S. command reports that 9,000 U.S. and 20,000 South Vietnamese troops are massed in the northeast corner of South Vietnam near the Laotian border.

The South Vietnamese troops sent to Cambodia to clear out border sanctuaries are said to number 11,000 men; the Cambodian command reports that they have been joined by Cambodian forces.

Feb. 8—South Vietnamese President Nguyen Van Thieu announces that South Vietnamese troops, supported by U.S. planes and artillery, have crossed the border into Laos in an effort to cut North Vietnam's supply line, the Ho Chi Minh Trail.

Feb. 9—U.S. Secretary of State William Rogers and Defense Secretary Melvin Laird, in congressional appearances, claim that the goal of the Laotian drive is to improve South Vietnamese security and insure the safe withdrawal of U.S. troops.

South Vietnamese forces meet light resistance in their drive into Laos.

Feb. 10—In an interview, South Vietnamese

Vice President Nguyen Cao Ky says that South Vietnamese troops will probably remain in Laos until May.

Feb. 11—At the Paris peace talks, Communist representatives claim that 10 U.S. battalions are engaged in ground combat in Laos; U.S. representatives deny the charge.

Feb. 12—Pilots at the Quangtri base in South Vietnam report that an additional 8 U.S. helicopters were shot down over Laos today.

Feb. 16—South Vietnamese military spokesmen report that, as a result of the drive in Laos, they have succeeded in cutting off the supply route of the North Vietnamese to the northernmost province of South Vietnam.

Feb. 17—The U.S. command reports that U.S. jets attacked missile sites in North Vietnam yesterday for the 3d successive day.

Feb. 19—A South Vietnamese spokesman reports that the drive in Laos has been slowed by anti-aircraft fire and bad flying weather.

Feb. 22—President Thieu says that before the South Vietnamese incursion into Laos the North Vietnamese had intended to seize 5 of the northern provinces of South Vietnam.

Feb. 23—The South Vietnamese military command says that its forces will not penetrate more deeply into Laos at the present time; the South Vietnamese spokesman reports that South Vietnam forces have penetrated 16 miles into Laos.

Feb. 26—South Vietnam forces are halted in fierce fighting in Laos.

Feb. 28—U.S. tanks and other forces move to block a possible eastward advance of North Vietnamese from Laos into South Vietnam.

ALGERIA

Feb. 3—A contract is signed in Algiers; France is to receive 3.5-billion cubic meters of Algerian natural gas for the next 15 years.

Feb. 24—President Houari Boumedienne says that Algeria is increasing her share in all French oil companies to 51 per cent.

BRAZIL

Feb. 11—The government announces that a

Roman Catholic priest and his assistant have been charged with subversion; the 2 were arrested 10 days ago. The Most Reverend Paulo Evaristo Arns, the archbishop of São Paulo, has asserted that the 2 were tortured for a week before being charged.

CAMBODIA

(See also *Intl. War in Indochina*)

Feb. 10—It is disclosed that Premier Lon Nol suffered a serious stroke on February 8.

CHILE

Feb. 10—The Chilean Senate approves a constitutional amendment which gives President Salvador Allende Gossens the power to nationalize U.S. copper interests in Chile; the amendment leaves the responsibility for reaching a settlement with the companies to Allende; the amendment must be passed by the Chamber of Deputies.

Feb. 16—The government issues an order to all local officials, party activists and union leaders to "prevent isolated, indiscriminate" farm seizures. In the past 10 days, peasants, unwilling to wait for land reform, have seized 30 farms.

CHINA, PEOPLE'S REPUBLIC OF (Communist)

(See *Nigeria*)

COLOMBIA

Feb. 26—As government military forces battle students on the campus of the University del Valle, at least 15 persons are reported killed and more than 20 others are hospitalized.

CZECHOSLOVAKIA

Feb. 16—Communist party leader Gustav Husak says that lawyers who have been sending letters to refugees in the West demanding money to pay for defense fees for trials in absentia have been ordered to stop.

ECUADOR

Feb. 1—In a note to the U.S. State Department, Foreign Minister José María Ponce Yépez asks the U.S. to withdraw its mili-

tary mission because the U.S. has halted military aid to Ecuador as a result of a dispute over fishing rights.

Feb. 20—A U.S. tuna boat is fired upon and seized off the coast of Ecuador.

ETHIOPIA

Feb. 1—Milton Obote, the deposed President of Uganda, visits Emperor Haile Selassie.

FRANCE

Feb. 3—President Georges Pompidou flies to Africa on a tour that will take him to Mauritania, Senegal, Ivory Coast, Cameroun and Gabon.

Feb. 18—Judges in Paris march to protest the accusation made on February 16 by René Tomasini, secretary general of the Gaullist Union for the Defense of the Republic, that the judges are too lenient in dealing with extremists.

Feb. 25—The state-owned French oil company demands that Algeria nationalize 100 per cent of the company's holdings in Algeria and pay compensation.

GERMANY, DEMOCRATIC REPUBLIC OF (East)

(See *Intl, Berlin*)

GERMANY, FEDERAL REPUBLIC OF (West)

(See also *Intl, Berlin; U.S.S.R.*)

Feb. 26—West Germany and the Soviet Union open trade talks in Bonn.

GHANA

Feb. 5—Ghana recognizes the government of Major General Idi Amin who seized power in Uganda by military coup on January 25.

HAITI

Feb. 12—Haitian newspapers report that voters have approved Jean-Claude Duvalier, the son of President François Duvalier, as the next head of the government; it is not reported when Jean-Claude will assume his duties.

INDIA

Feb. 5—Indian authorities place riot police

around the Pakistani High Commission, which has been besieged since February 3. The demonstrators are protesting the hijacking and blowing up of an Indian plane at Lahore, in West Pakistan, on February 2.

ISRAEL

(See also *Intl, Middle East*)

Feb. 15—The Minister of Housing, Zev Sharef, announces plans for the construction of up to 35,000 housing units on the hillsides surrounding Jerusalem, in territory seized from Jordan in the 1967 war. Sharef stresses the necessity of settling new immigrants in Jerusalem to keep it "a Jewish city."

ITALY

(See also *U.S., Foreign Policy*)

Feb. 16—Rioting continues in Reggio Calabria when the regional assembly confirms the compromise naming Catanzaro, the rival city, the regional capital, but making Reggio Calabria the seat of the regional assembly.

Feb. 28—In L'Aquila, rioters led by neo-Fascists battle police in another communal outbreak.

JORDAN

Feb. 11—Jordanian troops and Palestinian guerrillas fight in a suburb of Amman.

Feb. 12—Palestinian guerrilla spokesmen report that commandos have destroyed a helicopter at Amman airport and have used captured artillery to battle Jordanian troops on the outskirts of Amman.

KOREA, REPUBLIC OF (South)

Feb. 8—President Chung Hee Park announces that, as a result of the current 20,000-man reduction of U.S. forces, South Koreans will take over the defense of the 155-mile Korean armistice border.

Feb. 13—*The New York Times* reports that Deputy Premier Kim Hak Yul, who is also Minister of Economic Planning, has announced the third South Korean 5-year

economic plan, which calls for an annual growth rate of 8.6 per cent.

LAOS

(See also *Intl, War in Indochina*)

Feb. 12—The government declares a state of emergency and transfers internal security from the police to military officers.

In a telegram to the Pathet Lao leader, Prince Souphanouvong, Premier Souvanna Phouma calls for serious discussions to bring an end to the civil war.

LIECHTENSTEIN

Feb. 28—Voting in referendum, male voters refuse to permit women's suffrage.

MALAYSIA

Feb. 20—Sultan Halim Muazzam Shah is crowned King; he will reign as ceremonial ruler for 5 years. Parliamentary democracy is restored after 21 months of emergency rule.

NIGERIA

Feb. 10—The government announces that Nigeria and Communist China have reached an agreement to establish diplomatic relations at the ambassadorial level.

NORWAY

Feb. 27—The Cabinet meets in emergency session to decide whether Per Borten should continue as Premier after he has admitted he lied when he denied he had disclosed confidential information about Norway's application to the Common Market to an opponent of the application. The opposition Labor party has demanded that the Premier resign.

PAKISTAN

(See *India*)

Feb. 21—The President, General Agha Mohammad Yahya Khan, announces the dissolution of his Cabinet effective tomorrow. Political leaders in East and West Pakistan have adopted opposing positions on drafting a new constitution.

PHILIPPINES, THE

Feb. 2—Students, demonstrating in support of the transportation strike which began on January 8, clash with police in the greater Manila area. 3 are killed and 41 wounded.

Feb. 6—Violent protests and riots continue.

POLAND

Feb. 7—Poland's former Communist party chief, Wladyslaw Gomulka, is suspended from the Central Committee, the party's highest body.

Feb. 12—Poland, a member of the International Control Commission for Laos, issues a memorandum to Great Britain and the Soviet Union, co-chairmen of the Geneva Conference on Laos, asking them to seek an end to U.S. intervention in Indochina and particularly in Laos.

Feb. 14—Premier Piotr Jaroszewicz heads a 4-man delegation from the Politburo to a meeting with Lodz textile workers who have been on strike since February 11; Jaroszewicz tells the workers that their wage demands are unrealistic.

Feb. 15—The Premier, speaking on television, says that previously announced rises in food prices will be revoked until March 1.

Feb. 16—The Polish press publishes warnings that there can be no further decreases in prices and increases in wages.

PORTUGAL

Mozambique

Feb. 1—The Portuguese military command in Lourenço Marques announces guerrilla offensives on 2 fronts and reports that the guerrillas have been put to flight by government forces.

SOUTH AFRICA

(See also *United Kingdom*)

Feb. 8—The government, faced with a critical labor shortage in the construction industry, announces the relaxation of apartheid regulations; under the new regulations Africans of mixed ancestry will be permitted to hold construction jobs previously reserved for whites.

Feb. 19—20 persons are arrested under the provisions of the Terrorism Act.

SPAIN

Feb. 5—The Cabinet lifts the state of exception imposed in Guipuzcoa Province on December 4, 1970, at the time of the court-martial trial of 15 Basques; the action leaves in effect the emergency measure permitting unlimited arrest powers.

Feb. 16—The *Cortes* passes legislation regulating the status of labor organizations; the government retains the power to dissolve workers' associations and to annul their decisions.

SUDAN

Feb. 12—In a nationwide radio address, the Premier and revolutionary leader, Major General Gaafar al-Nimeiry, accuses the Communist movement of treasonous activities.

SWITZERLAND

Feb. 7—Male voters in Switzerland approve an amendment to the constitution giving the vote to women in federal elections and permitting them to hold federal office.

UGANDA

(See also *Ghana*)

Feb. 1—Major General Idi Amin, the new military head of state, dismisses all local government officials because of their identification with the regime which was ousted by military coup on January 25.

Feb. 2—General Amin dissolves Parliament and assumes all legislative and executive powers.

Amin appoints a Council of Ministers; none of the 17 Cabinet ministers were members of the Cabinet of former President Milton Obote.

Feb. 9—According to an official source, all the ministers of the new Cabinet have been enlisted in the army.

Feb. 21—Uganda radio reports that Amin has accepted the title of President, which the Army offered him yesterday.

U.S.S.R.

(See also *Intl, Berlin; U.S., Foreign Policy*)

Feb. 1—At a dinner honoring visiting Syrian Premier Hafez al-Assad, Premier Aleksei Kosygin calls on Israel to take action to avoid worsening the situation in the Middle East.

Feb. 3—The annual report on the economy by the Central Statistical Administration shows an industrial growth rate of 8.3 per cent for 1970; the gross agricultural output rose by 8.7 per cent over 1969.

Feb. 10—The West German government makes public a letter from Premier Kosygin to West German Chancellor Willy Brandt assuring Brandt that the Soviet Union is interested in improving relations with West Germany.

Feb. 14—*Tass*, the official press agency, issues a summary of the new 5-year plan which was approved by the Communist party's Central Committee yesterday; the plan will be presented to the party's 24th Congress which opens on March 30.

According to reports in *The New York Times*, 7 Jewish families have been given permission to leave the Soviet Union.

Feb. 19—An article in *Pravda* says that anyone who supports Zionist beliefs is an enemy of the Soviet people.

Reports in *The New York Times* indicate that Soviet ships have increased their activity in the Caribbean and have begun electronic surveillance of U.S. naval vessels operating in the area.

UNITED ARAB REPUBLIC

(See also *Intl, Middle East Crisis*)

Feb. 18—Yugoslav President Tito, in Cairo for consultations with U.A.R. President Anwar el-Sadat, receives a message from the Soviet government. Tito is in the U.A.R. to discuss the Arab-Israeli conflict.

UNITED KINGDOM

Feb. 4—Rolls-Royce, Ltd., manufacturer of automobiles and jet engines, declares bankruptcy. The company blames its collapse on losses incurred in developing the RB-

211 engine for the Lockheed Aircraft Corporation, a U.S. company. The British government announces that it will acquire and maintain those operations of Rolls that it considers vital for national defense and joint military programs with other nations.

Feb. 10—A 3-man court of inquiry recommends that most electrical workers in the state-owned industry receive no more increase in wages than they were offered before the work slowdown of December, 1970.

Feb. 15—The Union of Postal Workers rejects an offer of a 9 per cent pay increase; the 26-day postal strike continues.

A decimal system of currency goes into effect in Britain.

Feb. 17—The Foreign Office announces that the British force in Anguilla will be cut from 200 to about 90 following a relaxation of tension.

Daniel J. Haughton, chairman of the Lockheed Aircraft Corporation, arrives in Britain for talks about the fate of the RB-211 engine.

Feb. 22—Foreign Secretary Sir Alec Douglas-Home says that the government has decided to sell helicopters and spare parts to South Africa for maritime defense.

Feb. 24—A proposed law is published which would severely limit the right of Commonwealth citizens to settle in Britain.

Northern Ireland

Feb. 4—5,000 troops are on alert in Northern Ireland following 24 hours of violence in the predominantly Roman Catholic sections of Belfast; more than 60 persons have been arrested as a result of attacks on troops.

Feb. 6—An additional 600 British troops are flown to Belfast following a night of violence in which 4 civilians and 1 soldier have been killed.

UNITED STATES

Agriculture

Feb. 2—The Agriculture Department announces a cut in interest rates on farm

storage facility loans from 7.5 per cent to 6 per cent and the raising of the maximum loan ceiling to \$35,000 from \$25,000.

Civil Rights

Feb. 1—The U.S. Court of Appeals for the Fifth Circuit in New Orleans rules that local governments must provide public services, such as sewers and road paving, on a racially equal basis.

Feb. 5—The Justice Department files suit against 2 Southern school districts charging them with failure to desegregate schools.

Feb. 7—National Guard troops arrive in Wilmington, North Carolina, after a week of racial violence that has resulted in 2 deaths.

Feb. 9—A nighttime curfew is lifted in Wilmington, North Carolina, but National Guardsmen continue on duty.

Feb. 21—3 white men are convicted of rioting by a jury in Darlington County, South Carolina; the 3 were charged with rioting on March 3, 1970, when a school bus carrying Negro children arrived at a newly desegregated school.

Economy

Feb. 1—In his annual Economic Message to Congress and the report of his Council of Economic Advisers, the President sets a goal for the economy that includes a decline in unemployment to about 4.5 per cent and in the rate of inflation to about 3 per cent by the middle of 1972.

Feb. 5—The Labor Department reports that the unemployment rate for January, 1971, after normal seasonal adjustment, was 6 per cent. This is a decline of .2 per cent over the December, 1970, rate which was 6.2 per cent after a routine revision.

Feb. 16—The banking industry reduces its prime lending rate another ¼ point; the rate is now 5.75 per cent, the lowest rate since November, 1967.

Feb. 17—The Treasury Department asks Congress to raise the federal debt limit by \$40 billion and to repeal the 4.25 per cent ceiling on the interest the government may pay on bonds.

The Federal Housing Administration and the Veterans Administration announce a reduction in the interest ceiling on government-backed home loans from 7.5 per cent to 7 per cent.

Feb. 19—The Labor Department announces that the Consumer Price Index rose one-tenth of 1 per cent in January; this is the lowest increase in 4 years.

Foreign Policy

(See also *Intl, War in Indochina*)

Feb. 6—Senator Edward Kennedy (D., Mass.), chairman of the Senate Judiciary Subcommittee on Refugees, makes public 2 censored reports by the General Accounting Office that are critical of the management of programs for assisting refugees and civilian war casualties in Laos. The reports indicate that some funds allocated for refugee relief were channeled through the Central Intelligence Agency for paramilitary operations.

Feb. 10—Secretary of State William Rogers says that the U.S. will support any kind of conference to achieve peace in Indochina.

According to *The New York Times*, Earl Williamson, the Central Intelligence Agency station chief in Costa Rica, is being transferred; the transfer follows rumors in the Costa Rican press of C.I.A. attempts to overthrow the government of President José Figueres Ferrer.

Feb. 11—Former Secretary of the Treasury David Kennedy is sworn in as Ambassador at Large with responsibility for international economic affairs; he is assigned by President Nixon to help South Vietnam repair her wartime economy and plan for peacetime.

Feb. 12—The Defense Department announces that a Soviet guided-missile cruiser and an oil-supply ship recently arrived in Cuba, and a Soviet tender of the class used to service nuclear submarines is about 100 miles south of Cienfuegos.

Feb. 14—The Jewish Defense League ends its "moratorium" on demonstrations against and harassment of Soviet diplomats.

Feb. 15—Rabbi Meir Kahane, leader of the

Jewish Defense League, is arrested in New York on charges of harassment and verbal abuse; the complaint is signed by a staff member of the Soviet Mission to the U.N.

Feb. 17—In a news conference, President Nixon says that no U.S. ground troops will be used in Laos or Cambodia, but he sets no limit on the use of air power in Indochina except the use of tactical nuclear weapons.

In Washington, West German Foreign Minister Walter Scheel, concluding 2 days of discussions on Berlin and East-West relations, confers with President Nixon and other U.S. officials.

Italian Premier Emilio Colombo and Italian Foreign Minister Aldo Moro arrive in Washington for a 5-day visit.

Feb. 18—Following a meeting with President Nixon, Colombo says that he has received reassurance that the U.S. will continue to maintain its NATO forces.

Feb. 19—The State Department apologizes to the Soviet Embassy after the cars of 3 Soviet diplomats are attacked in Maryland.

Feb. 25—In his State of the World Message to Congress, President Nixon appeals for peace, but warns against U.S. "underinvolvement" and the dangers of "indiscriminate retreat." He says that any strategic-arms agreement with the U.S.S.R. must cover offensive and defensive missiles.

The U.S. Coast Guard seizes a Cuban fishing vessel and Florida seizes 3 Cuban fishing boats on charges of illegal fishing in U.S. waters.

Government

(See also *Labor*)

Feb. 1—Secretary of Labor James Hodgson announces the formation of Jobs for Veterans, a national advisory committee to help find jobs for returning war veterans.

Feb. 2—The U.S. Postal Service announces the proposed new postal rates which were submitted to the Postal Rate Commission yesterday; if the Commission does not act within 90 days, the Postal Service can temporarily put the new rates into effect.

In his 3d legislative message to the 92d

Congress, President Nixon proposes giving the Civil Service Commission greater power in the hiring, firing and promotion of senior civil service employees.

Feb. 3—The President asks Congress to pass legislation designed to prevent strikes in the transportation industry.

Feb. 4—President Nixon asks Congress to turn over to state and local governments \$5 billion in unrestricted federal funds; under "general revenue sharing" there would be virtually no strings attached to the funds.

Feb. 5—Secretary of Housing and Urban Development George Romney announces the resumption of the low and moderate income subsidized housing program in 21 selected areas; the program was suspended on January 14.

The appointment of Daniel Kingsley as a special assistant to the President and head of Presidential personnel operations is announced.

Feb. 8—In a message to Congress, the President presents a comprehensive plan for the environment for 1971 including initiatives for the regulation of noise, surface and underground mining, pesticides and ocean dumping; the measure includes a proposal to levy a fee against those who use fuels that send sulphur oxides into the air and a tax on lead additives in gasoline.

The Senate confirms the nomination of John Connally, Jr., former Governor of Texas, as Secretary of the Treasury.

Feb. 9—President Nixon declares southern California a major disaster area in the wake of a devastating earthquake.

Feb. 11—The Interior Department discloses that 7 of the 13 appointees for an expert advisory council on coal mine safety named by Under Secretary Fred J. Russell are persons without engineering or mining qualifications; the 7 all have strong ties to the Republican party.

Feb. 13—The President asks Congress for emergency powers to block any interruption of rail service after the March 1 strike deadline.

Feb. 17—In a news conference, President Nixon says that he no longer has much

hope of a voluntary agreement in the construction industry to curb wage increases; he says that the government will take "action" to slow inflation in the industry.

The President also states that he sees a clear distinction between governmental responsibility to prevent housing discrimination against individuals and the government's responsibility to promote low and moderate income housing in suburbs; he indicates that it is not the responsibility of the government to provide low-cost housing in suburban communities for persons of low income.

Feb. 18—In a message to Congress, the President outlines his new health care proposals; the program, which would go into effect in 1974, would require employers to pay most of the costs for medical care; employees would pay 35 per cent of the cost of insurance premiums at the start of the program.

Under Secretary of the Interior Fred Russell resigns.

Feb. 22—The report of the government's committee on SST noise says that recent improvements in the design of the supersonic transport enable the plane to meet federal standards on noise limits.

Feb. 23—President Nixon suspends provisions of the law requiring that union scale wages must be paid to workers on federal and federally assisted construction; he endorses a bill that would extend beyond the end of March his authority to impose wage and price controls.

Feb. 24—The President asks Congress to pass legislation authorizing federal safety standards for consumer products; by executive order, he creates a White House Office of Consumer Affairs and appoints Mrs. Virginia Knauer as director.

Labor

(See also *Government*)

Feb. 11—The construction union leaders declare that they will not initiate nor endorse any wage stabilization proposals that apply only to the construction industry.

Feb. 14—The Brotherhood of Railway and Airline Clerks reaches a contract agreement

with the railroads; the union had threatened to strike on March 1. The United Transportation Union still has not reached an agreement with the railroads.

Feb. 15—The Executive Council of the A.F.L.-C.I.O. issues a statement rejecting President Richard Nixon's proposal for revenue-sharing with state and local governments on a "no-strings" basis.

Military

Feb. 10—A 1969 West Point graduate is honorably discharged from the Army as a conscientious objector.

Feb. 11—The Air Force announces that it will cut back the development program for the B-1 strategic bomber to effect savings and to get the aircraft ready for production sooner than had originally been planned.

Feb. 17—A federal grand jury indicts the former Sergeant Major of the Army, William O. Wooldridge, 5 present or former noncommissioned officers, 2 civilians and a corporation on charges of plotting to defraud noncommissioned officers' clubs in Vietnam.

Feb. 18—Secretary of Defense Melvin Laird announces the establishment of a 5-man Defense Investigative Review Council to "direct, manage and inspect" all domestic intelligence by the military; the new body will be civilian-dominated.

Feb. 24—Laird issues an order banning the dumping of obsolete gas and explosive weapons into the ocean.

Feb. 26—The Army reports that Colonel Oran K. Henderson will be tried by court-martial on charges of covering up the reported massacre at My Lai 4 in March, 1968. Henderson is former commander of the Americal Division's 11th Brigade.

Politics

Feb. 19—The Democratic National Committee approves reforms in the selection of delegates to the national convention; among other reforms, the unit rule is abolished.

Science and Space

Feb. 5—2 U.S. astronauts, Captain Alan B. Shepard, Jr., and Commander Edgar Mitchell of the Navy, land on and explore the moon.

Feb. 9—Shepard, Mitchell and Air Force Major Stuart Roosa, the crew of Apollo 14, splashdown safely in the Pacific Ocean.

Supreme Court

Feb. 23—The Supreme Court instructs federal trial judges to refrain from halting state prosecutions of defendants who claim that their constitutional rights are being violated; defendants should raise constitutional issues during their trials in state courts, unless there are "exceptional circumstances."

Feb. 24—In a 5-to-4 decision, the Court rules that a statement that is ruled inadmissible because a suspect was not warned of his rights may still be used to contradict a suspect's testimony in court.

In 2 unanimous decisions, the Court rules that the press has the right to publish charges of criminal behavior by public officials and candidates for office even though the charges may be old or untrue.

URUGUAY

Feb. 21—Aloysio Dias Gomide, the Brazilian Consul who was kidnapped on July 31, 1970, is released after his wife pays ransom to the Tupamaro guerrillas.

VIETNAM, REPUBLIC OF (South)

(See also *Intl. War in Indochina*)

Feb. 21—According to *The New York Times*, 2 Roman Catholic priests have been sentenced to 9 months in prison in connection with published articles calling for an end to the war.

YUGOSLAVIA

(See also *U.A.R.*)

Feb. 27—A set of 21 draft constitutional amendments published in Belgrade plan a collective Presidency of 14 representatives with new legislative powers to succeed President Tito on his death or retirement.



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